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Latin America Report



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23 November 1984

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CARICOM EYES TRADE PACT WITH REGION'S FRENCH TERRITORIES

Bridgetown BARBADOS ADVOCATE in English 17 Oct 84 p 1

[Article by Albert Brandford]

[Text]

Member States of the 13-nation Caribbean Community (CARICOM) hope to work out a trade agreement with the French territories in the region as a result of a new provision within the proposed Lome III Convention, Barbados Trade Minister Bernard St. John said yesterday.

Mr. St. John told a news conference the convention, expected to be signed in the Togolese capital on December 7, provides for contacts between the chambers of commerce and the legislatures of the 64 Africa, Caribbean and Pacific (ACP) States which would make intra-ACP cooperation an important factor of the convention.

"Interestingly enough, there will be a new section in which the overseas territories and the departments of France will feature in the convention," he said. "There will be a draft declaration by both sides that it is the aim of both sides to foster greater economic, cultural and social cooperation between the ACP and the departments and overseas territories of the European Economic Community (EEC).

He said that such a situation would be of great benefit to Caricom states since the ACP States do not have to give reciprocal preference to the EEC countries.

Mr. St. John, an attorney-at-law, said that a very interesting legal problem has arisen as a result:

Can the overseas territories of France be treated differently to metropolitan France, because the French theory is that they are one?

"We have specifically put into that declaration a sentence which makes it very clear that the ACP and the EEC recognise that to give effect to this general

principle of cooperation it may be necessary to make special provision for the overseas territories only, so as to allow us to get an agreement with, say, Martinique and Guadeloupe and Caricom without having to give it to France," Mr. St. John said.

He said it was hoped to provide the basis for much greater trade with the French territories.

Indeed, he said, Mauritius, the southwestern Indian Ocean Island, which is also a member of the ACP grouping, is hoping to work out a similar arrangement with its neighbour, the French Overseas Department of Reunion.

"We have had a number of discussions with the Secretary of Martinique and the Secretary of the Chamber of Commerce (on the proposed trade agreement)," he said.

Mr. St. John added: "The interesting thing about the Caribbean is that as a regional area, the (French) overseas territories are taking part in some of the regional institutions such as the Caribbean Association of Industry and Commerce (CAIC) and the Caribbean Tourism Association (CTA) so that the basis for cooperation is there."

Mr. St. John said what was needed now was for the parties to try to get over the traditional legal hurdle "...and I believe that the same thing is taking place in the Indian Ocean and apparently in the Pacific (with) some other territories which are not departments.

He said that the convention on both sides recognises that some of the main provisions may have to be departed from in order to give effect to a trade agreement "...because trade is an EEC matter but social and cultural aspects are national matters."

INTER-AMERICAN AFFAIRS

ARGENTINE RESEARCH CENTER REPORTS ON SOUTHERN CONE ARMS RACE

Bahia Blanca LA NUEVA PROVINCIA in Spanish 24 Sep 84 pp 1, 3

[Text] Buenos Aires (DYN [Argentine News Service])--A study prepared by civilian defense specialists concludes that Argentina cannot undertake any significant unilateral reduction of its war-making potential, unless it can coordinate such a step with its principal neighbors--Chile and Brazil--as part of a joint effort to discourage the arms race in the region.

DYN has had access to the main points of the report, which was prepared by the Center for Research and Defense Studies (CIED), based in this capital, and was developed from the Center's own data, from the magazine MILITARY TECHNOLOGY, the report on the 1983-1984 military balance released by the Institute of Strategic Studies of London, and the Center for Studies for Peace--SIPRI--with headquarters in Stockholm.

Ground Forces

The CIED study notes that Brazil has at present an army of 182,000 men, of whom 132,000 are conscripts.

Chile has 53,000 men under arms, including 30,000 conscripts, for which reason it is one of the most "professionalized" armies in South America.

Argentina has an army made up of 20,000 permanent troops (fewer than Chile), and, since last July, has maintained only 40,000 conscripts under arms.

The data compiled by the CIED also includes the situation prevailing in the Malvinas Islands, where the permanent garrison is estimated at some 4,000 men.

Armor

The CIED study reports that Brazil has 75 Sherman M-4 (medium) tanks, 250 M-3 A1 (light) tanks armed with 90 millimeter cannon, 300 M-41 B light tanks, 138 Cascavel vehicles of Brazilian origin, 120 Urutu armored personnel carriers, also Brazilian, 22 U.S.-origin M-59 APC's, 29 M-8 armored reconnaissance vehicles, 600 M-113's, and U.S.-origin APC's.

Chile--according to the report--has 150 Sherman M-4 tanks, possibly upgunned with 105 millimeter cannon, 30 AMX-30 medium tanks of French origin (other reports set the number at 23); 25 U.S.-origin M-3 halftracks; 200 EE-9 Cascavel armored cars of Brazilian manufacture; 300 EE-11 Urutus, also Brazilian; 60 U.S.-origin M-113's; and 100 Cardoen armored cars, manufactured in Chile.

Argentina has 125 Sherman M-4 tanks upgunned with 105 millimeter cannon, 130 TAM medium tanks, made in Argentina; 65 French origin AMX-13 light tanks; 60 Ponhard armored reconnaissance vehicles; 150 VCTP's (APC's of the TAM series); 125 U.S.-origin M-113's (armored transports for mechanized infantry); 85 M-5 halftracks, also of U.S. origin, and 127 SK-105 light tanks.

The British forces in the Malvinas, are thought to have one armed reconnaissance squadron equipped with Scorpions.

Naval Power

Brazil has at present 8 submarines (3 Oberon class and 5 U.S.-origin of the "Guppy" class); 1 "Colossus" class aircraft carrier; 10 U.S.-origin destroyers; 6 "Niteroi" class frigates of Brazilian construction; 6 mine-sweepers; 22 patrol vessels; and 2 landing craft.

The CIED report adds that Brazil has on order 2 type 219 submarines, 4 corvettes, 12 Exocet missiles and 60 Tigerfish torpedoes.

Chile has two Oberon class submarines and has recently added another of German origin, with delivery of one more expected next year.

Chile also has 3 U.S.-origin cruisers; 4 destroyers; 2 "Leander" class frigates; 10 high-speed launches; and 18 coastal patrol craft. The report includes mention of purchase agreements between Chile and Great Britain thought to have been concluded in recent months, which may also envisage the provision of aircraft carriers.

Argentina also has 2 German-origin 209 submarines; 1 "Colossus" class aircraft carrier; 10 destroyers (4 Meko 360's, 2 type 42's, 3 U.S.-origin "Sumner" class, and 1 "Gearing" class); 3 type A-69 corvettes; 6 high speed launches; 6 mine-sweepers, 2 torpedo boats, and 1 landing craft.

The Argentine Navy probably has a total of 20 Exocet missiles. The British forces in the Malvinas are thought to have one nuclear submarine, one aircraft carrier, four destroyers and frigates and an undetermined number of auxiliary craft.

Air Power

Brazil has 187 combat aircraft. These include an interceptor group made up of 2 squadrons with 12 F-103E aircraft and 4 F-103D's; 3 attack squadrons with 32 F-5E's and 4 F-5B's and 65 Brazilian-origin AT-26 Xavante jet trainers; 2 reconnaissance squadrons with 8 RC-95's and 11 Brazilian made RT-26 Xavante aircraft.

The CIED report also mentions 4 liaison squadrons with 52 planes and helicopters, 1 8-unit helicopter squadron, a 15-plane antisubmarine squadron, and 2 transport squadrons with nine Hercules C-130 transports.

Brazil also has a training command of approximately 150 planes, many of Brazilian origin.

Chile has an air potential based on 4 attack squadrons with 16 British Hunter planes; 15 British F-5F's, and 30 A-37B's. It also includes one interceptor and reconnaissance squadron with 13 French Mirage 50 FC's and 3 C-101 Aviojet trainers.

One transport squadron, 2 reconnaissance squadrons, 1 liaison squadron with 40 planes and helicopters and 1 training wing with approximately 100 planes, complete the Chilean air fleet.

Argentina has 164 aircraft and 18 helicopters. It also has 1 bombardment squadron, with 6 Camberra B-62 planes and two T-64's, 5 attack squadrons with 30 A-4B Skyhawks, and 15 MS 760 Mirages, 4 interceptor squadrons with 15 Mirage III EA's, 15 Mirage III DA's and 32 Dagger aircraft, an Israeli version of the Mirage, in addition to 14 Super Etendard planes.

The study also notes that Argentina has 2 squadrons of Pucara aircraft, of Argentine origin, 1 18-unit helicopter squadron, 1 air rescue service with 5 planes, 5 transport squadrons with 8 C-130 Hercules planes, plus other aircraft. The air force also includes an Antarctic squadron, a command squadron and a number of training planes.

Nevertheless, in the Beagle Channel, Chilean air and naval forces have four reconnaissance and attack helicopters, while the Argentine forces have none.

Regarding the British in the Molvinas, the report made available to DYN indicates that they have one Phantom squadron, one squadron of Harrier planes, one squadron of Buccaneers, two squadrons of Sea King helicopters and a detachment of Chinook helicopters.

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CSO: 3348/29

TRINIDAD MANUFACTURERS ASSESS CARICOM TRADE SITUATION

Port-of-Spain SUNDAY GUARDIAN in English 28 Oct 84 p 23

[Text]

GOVERNMENT has been urged to retain the licensing procedure from non-oil imports and use it carefully to manage trade between Trinidad and Tobago and Barbados.

This advice has come from the Trinidad and Tobago Manufacturers' Association (TTMA) in outlining the balance of trade situation between the two Caricom states.

The TTMA states:

THE IMPRESSION created before the Nassau Prime Ministers' Conference in July 1984 and up to the present by other governments and private sector organisations in the region give the distinct impression that the licensing system implemented by the Government of Trinidad and Tobago was strangling trade in the region.

This is completely false.

There is no mind paid by these bodies to the fact that the economy of Trinidad and Tobago has shrunk substantially and that consumer spending has declined by as much as 20 per cent over the same period, last year. As such it is safe to assume that a drop of this magnitude will reflect itself in imports from other Caricom states.

This point was made over and over again and even clearly stated by our Prime Minister in his opening address in Nassau. It is clearly not in the interest of others to try and understand this or even to pay recognition to it, other than by lip service.

OBVIOUS

As mentioned in the past, the Trinidad and Tobago market accounts for 80 per cent of Caricom trade done in the region. It is therefore obvious that a strong Trinidad and Tobago is necessary if Caricom is to survive. Likewise, it is important that our Government ensures that a sizeable portion of the local market is reserved for our manufacturers. This is very important in order to preserve employment and

to develop an export base. This in turn will allow businesses to expand and employment to increase.

Without a home base the Trinidad and Tobago manufacturers will be hard-pressed to sustain their employment levels. This is normal practice, particularly when one looks at the difference in economies between Trinidad and Tobago and the rest of the region. As examples of preservation of a considerable portion of their home market we can turn our eyes to the United States and Japan.

In the period January to July 1984, trade figures excluding the petroleum sector is shown below:

COUNTRY	IMPORTS	EXPORTS
Barbados	\$50.8m	\$13.4m
Jamaica	\$46.2m	\$ 1.6m
Guyana	\$25.0m	\$ 9.2m
St. Vincent	\$20.0m	\$ 2.7m
Dominica	\$ 3.5m	\$.9m
Grenada	\$ 5.1m	\$ 2.6m
Saint Lucia	\$ 4.7m	\$ 2.5m

One can clearly see that in non-oil trade the balance is clearly and intolerably in favour of our Caricom partners.

For the similar period in 1983, trade in the non-oil sector was as follows:

COUNTRY	IMPORTS	EXPORTS
Barbados	\$59.2m	\$19.6m
Jamaica	\$67.5m	\$13.0m
Guyana	\$29.0m	\$ 4.7m
St. Vincent	\$23.7m	\$ 3.0m
Grenada	\$ 7.5m	\$ 2.1m

By comparison, therefore, we find that there has been an increase of imports into Trinidad and Tobago in 1984 versus 1983 as follows:

Barbados	—	18%
Jamaica	—	30%
Guyana	—	14%
St. Vincent	—	14%

On the other hand, exports from Trinidad and Tobago plummeted as

follows:

Barbados	—	33%
Jamaica	—	90%
Guyana	—	48%
St. Vincent	—	8%

In relation to market size, therefore, our Caricom partners have had similar or slightly greater market share of Trinidad and Tobago from 1983 to 1984.

When one however looks at our exports, a pattern evolves showing that even in a declining local market, when manufacturers are vigorously trying to sell product, they are unable to sell their goods in meaningful quantities to the region and in some cases be paid for them.

The obvious question is why?

To answer this we must look at the region on a country by country basis. We will today deal with some of the trade impediments existing in Barbados.

This country has a population about 25 per cent that of Trinidad and Tobago. Their consumer spending is probably about 10 per cent or less that of Trinidad and Tobago. Their wage rates about 33 per cent that of Trinidad and Tobago.

With this type of comparison in living standards, is it reasonable to think that we can completely open our doors to imports from this country and others in the region without seriously damaging industries of our own in specific sectors?

The strong markets of the United States and Japan, as we know, allow imports but only to certain levels from sector to sector as they are constantly protecting their own industries. If they find the need to do this, then, does this not tell us something?

Looking at some of the reasons for Trinidad and Tobago's drop in exports to Barbados, we find that the competent authority in Barbados absolutely refuses to implement a regional negative list and regional ceiling prices. This allows Barbados importers to buy their goods from third countries whilst their manufacturers continue to have a protected market in Trinidad and Tobago. The same degree of protection regional manufacturers enjoy in Trinidad and Tobago must be had throughout the region.

For the past 18 months or more, assurances at various levels have been given by the Government of Barbados that this will be brought into line.

So far it has not been done. We still find garments, chocolates, candies, snack foods, cosmetics, men shoes (but to name a few) and lots of other items being freely imported into Barbados at the expense of regional manufacturers and particularly Trinidad and Tobago.

Also, in spite of several assur-

ances given by the Barbados Government to remove certain trade impediments on drinks in cans, they continue to play childish games. The latest move planned is to enact a Bill in the Parliament of Barbados making it compulsory for the purchaser to deposit the sum of .30¢ (TT) when buying a canned drink.

The .30¢ (TT) is refundable if the can is returned, providing it is not corroded or dismembered in any way. It further states that the container must be so designed and constructed that no part of the container is detachable by opening the container.

It is no coincidence that our local can producer makes an article that does not now allow for a refund because the opening is detachable.

EMPTY CANS

Also, can you imagine having empty cans that must not be damaged in any way or contain any foreign material whatsoever before a refund can be had? It is clear to see that the intention is to remove the marketing advantage of selling canned drinks and to unduly discriminate against our canned drink manufacturers in Trinidad and Tobago who were selling to Barbados before the barriers were imposed.

Is this the type of spirit that one expects from a friendly trading partner?

In the mini budget presented to the Barbados Parliament on October 23, 1984, the Prime Minister of that country indicated that his Government has taken steps to protect goods that can be produced in the region against cheap foreign imports.

This, he said, was in keeping with the recommendation accepted at the Heads of Government Conference in Bahamas last July, that member states undertake an immediate and urgent programme aimed at achieving the restoration and growth of intra-regional trade. The Prime Minister indicated that once these programmes were in place the non-tariff barriers to Caricom trade would be removed.

Barbados, he said, looks forward to the fulfilment of the pledges made and was taking the lead.

We wish to state that without a regional negative list and ceiling prices there is little to be gained for Trinidad and Tobago manufacturers by this move and we are sure that the Barbados Prime Minister knows this.

Mr. Tom Adams (Barbados Prime Minister) then goes on to make effective from October 23, 1984, a 10 per cent stamp duty on the CIF value of all goods coming into that country.

This means that Barbados manu-

facturers will have an immediate advantage on his Trinidad and Tobago counterpart since the former pay duty of 10 per cent only on imported raw material, which is refundable if the end product is exported, whilst products from Trinidad and Tobago manufacturers are subject to a 10 per cent tax on the CIF value, which includes local labour and profit.

How can this be considered fair and in the spirit of Caricom?

As far as trade in the non-oil sectors is concerned, we strongly urge our Government to keep the licensing procedures in place and use this to carefully manage trade between Trinidad and Tobago and Barbados.

The imbalances of trade in the non-oil sector must be brought to a more tolerable level if employment is to be a major consideration for our nation.

We will look at other markets next.

CSO: 3298/115

ST VINCENT, ST LUCIA COOPERATION HAILED AS REGIONAL MODEL

Bridgetown THE WEEKEND NATION in English 12-13 Oct 84 p 7

[Article by Rickey Singh]

[Excerpts] TODAY, I wish to invite readers' attention to some interesting developments in Grenada and a significantly new pattern of co-operation, emerging between two other small island states--St. Vincent and St. Lucia. They all are related to what kind of future we are likely to have as people of the Caribbean.

On the other topic of a new pattern of economic co-operation between St. Vincent and St. Lucia, it is most encouraging to note that in the midst of alarming rates of unemployed in both countries, these member states of the Caribbean Community (CARICOM) have initiated action to share their resources for their mutual benefit.

The two governments, headed by politicians who have much in common, have agreed, for instance, that St. Lucia will invest in a half-million-dollar expansion of St. Vincent's flour mill to meet the wheat flour needs of St. Lucians, and thus make it unnecessary for the Castries administration to find the money to build its own flour mill.

On the other hand, St. Lucia is to proceed with the construction of a fertiliser plant with St. Vincent's participation.

Cooperation

This is the sort of hard-nosed cooperation that small countries with limited resources and mountains of social and economic problems need to demonstrate.

Before their relations cooled considerably in the wake of the invasion of Grenada, Barbados and Trinidad and Tobago had entered into an imaginative Memorandum of Understanding, for joint ventures and other forms of co-operation.

The Arawak Cement Plant in Barbados, is another example of joint ventures for mutual benefit of countries of the Caribbean Community.

"The gravity of the unemployment situation, especially as it affects young people, is the most explosive problem facing the Caribbean region today," observed the Group of Experts' report on The Caribbean Community In The 1980s.

In the circumstances, any effort to conserve foreign exchange for economic projects designed to help provide jobs, is a most welcome development.

CSO: 3298/103

BRIEFS

CARIBBEAN CO-OPS--ROSEAU, Dominica--Dominica's Minister Responsible for Cooperatives, Mr. Heskeith Alexander, has called for a further look at the development of cooperatives in the region with a view to setting standards for their effective operation. He told the second Regional Cooperatives Development Conference here yesterday that such an examination was necessary "because we are becoming increasingly aware of the dynamic role which cooperatives are playing in the development of the Caribbean islands". The minister said that while it was recognised that cooperatives have become a reality in Caribbean societies with great potential for developing the region "we are cognisant of the view that for cooperatives to operate effectively there must be standards set". It will deal with several issues including the results of the 1983 meeting in St. Lucia, Canada's aid policy for the region and legislation governing the movement in the region. Mr. Alexander said his government was fully supportive of development of cooperatives as a component of the overall national development strategy, pointing to the fact that cooperatives here had a share capital of almost EC\$16 million. [Excerpts] [Bridgetown THE NATION in English 18 Oct 84 p 6]

BRAZIL CRITICIZES PARAGUAYAN NEWSPAPER CLOSING--Rio de Janeiro, 6 Nov (EFE)--The Brazilian Chamber of Deputies has requested Paraguayan President General Alfredo Stroessner to allow the Asuncion newspaper ABC COLOR to resume publication. The newspaper was closed down 6 months ago. For the Brazilian congressmen the measure is an "attack against the basic freedom of information and it does not conform with the objective of improving the political structures" of Paraguay. After expressing their "deep concern" over ANC COLOR's closure, the Brazilian deputies stress that it is not their intention to interfere in Paraguay's internal affairs. Notwithstanding, the "intimate understanding between Brazilians and Paraguayans" and the commitment of the international community favoring freedom of the press "authorize us to address this energetic appeal to President Stroessner," the Brazilian deputies add. [Text] [Madrid EFE in Spanish 2247 GMT 6 Nov 84]

ARGENTINE INVITATION TO NEVES--The Argentine Government has invited Democratic Alliance presidential candidate Tancredo Neves to attend an encounter of peace for Latin American integration, to be held in Buenos Aires on 23 November. Invitations have also been extended to Rio de Janeiro Governor Leonel Brizola and several personalities of the continent. [Text] [Sao Paulo Radio Bandeirantes in Portuguese 1550 GMT 6 Nov 84]

PERONIST DEPUTY FORECASTS DEFEAT IN 1985 ELECTIONS

Buenos Aires LA NACION in Spanish 7 Sep 84 p 8

[Text] Peronist deputy Julio Barbaro predicted that the Justicialist Party will suffer a "worse" defeat in the deputy elections next year than in 1983 because "the party leadership waited, saving itself only for the attrition of the UCR [Radical Civic Union] government" instead of "reorganizing the movement and defining a proposal."

Barbaro also accused the leadership of the Catholic Church of "hypocrisy" for its position during the antisubversive struggle. He said: "It is so reactionary that it seems concerned about several commandments but not the fifth, not to kill."

The legislator admitted that if there were elections at this time, the votes for Raul Alfonsin would increase because the people view him as "the president of the nation and not the leader of the UCR."

Barbaro maintained that if Peronism had won the elections last year, even with higher inflation it would have increased industrial development. Meanwhile, the "UCR is a party of lawyers; everything legal occupies them. They lack the capacity to change history. They are very monetaristic; they are tied to the currency. Garcia Vazquez is unsufferable."

Criticizes Isabel Peron

In an interview with the magazine SIETE DIAS, Barbaro also indicated that Isabel Peron "does not have the idea or even the political will to exercise any type of leadership." He also said that she did not have enough ability to be vice president or president of the nation.

Barbaro repeated that the party is going to break up if the antagonisms like the one Herminio Iglesias provoked continue. The latter stated that "1985 might be the last defeat of this leadership. In 1987 we can have the first renewal and 1990 will be our race."

Deputy Barbaro felt that the general strike on Monday decreed by the CGT [General Confederation of Labor] "was not against the government but against the economy."

He indicated that Retired Gen Luciano Benjamin Menendez, by using a knife to threaten a group of demonstrators who called him an "assassin," really wanted to believe that he was "going down in history but it leaves him as he is: a neighborhood bully."

Need for a Right

Barbaro emphasized the circumstance that not many soldiers were arrested during Peron's last government. He stated: "The fact that Massera, Videla, Camps and Menendez are going to prison has a historical meaning. It reveals a society capable of criticizing itself."

He stated that the antiradical struggle "was basically nothing more than a repression so that \$35 billion could be taken out of the country."

He revealed his desire for deputy Alvaro Alsogaray or someone else to form a "true party of the right in Argentina as reinsurance for democracy."

He added: "I want a conservatism with 25 percent of the votes. I do not want knocking on the doors of the barracks."

Lastly, he defined Peronism as a party of the left center and the UCR as a party of the right center.

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CSO: 3348/30

INDEPENDENT PARTIES PREPARE FOR 1985 CONGRESSIONAL ELECTIONS

Bahia Blanca LA NUEVA PROVINCIA in Spanish 24 Sep 84 p 7

[Article by Martin Olivera, journalist for several publications in the federal capital and regular contributor of special reports on the National Congress for our readers: "Independent Forces"; passages enclosed in slantlines printed in boldface]

[Text] The UCR [Radical Civic Union] is unquestionably suffering deterioration in the exercise of power (common in all democracies) at a much faster rate than foreseen by its staunchest opponent. It is equally true that the Justicialist Party is not attracting those voters because of its internal fights and the ability of some of its leaders (like Herminio Iglesias) to frighten away the nonpartisan voters.

/This circumstance inexorably leads to the question of who will win the votes that the UCR loses and Peronism does not attract./ That wealth is being divided among the leftist forces (the Intransigent Party and the Movement Toward Socialism, mainly) and the misnamed centrist forces that range from a federalist center with popular tinges to a liberal right.

After the Failure

Different thinkers (or nonthinkers) of the Process fantasized almost from the beginning about a political inheritance, a brood (as was said in Videla's time) that perpetuated them in supreme power. Videla as well as Harguindeguy, Viola, Massera, Saint Jean and Galtieri dreamt of prolonging their influence beyond the military regime without considering the cruelty of history and the resounding failure of their predecessor, Lanusse, with a plan devised for the same purpose.

In that game of future hopes, they tried to approach the independent politicians, the liberal forces and the representatives of the parties in the interior so that, with the help of a leader like Manrique, they could confront the UCR-Peronist populism and defeat it, showing that Argentina had matured. (Manrique is the Boy Scout of Argentine politics, neither civilian nor military, and always prepared to occupy any post that the nation wants him to.)

/Either Argentina did not mature or it matured in the other direction./ Peronism and the UCR won 92 percent of the votes, the amalgam behind Manrique became

disorganized and desperate and everything that smelled like the Process operated as a voter repellent. /The brood died of malnutrition./

However, with the military back in the barracks (or in jail), the political reality began to change /and the Argentine society began to understand that the Peronism-UCR alternative is a false alternative that shuts out the complete fan of ideas/.

It is also necessary to keep in mind that the elections next year are not for president but for deputies. Therefore, this alternative does not apply and the people can vote with less pressure since they will not have to cast their votes /"against..."/ as they usually do.

This permits the independents to collect themselves.

"Centrist" Interior

After the debacle of 30 October (at the national level), the independent forces began a process of readjustment that today reveals two main currents and some minor ones. Unless there is a nearsighted repetition of errors, the rise of these currents will not be obstructed.

The first is headed by engineer /Alvaro Alsogaray/ and could be defined as the /"liberal-liberal"/ sector. Lined up behind the /UCD [Democratic Center Union]/, it has /two national deputies and an electoral projection to double that number in the federal capital/ on its side.

Its bastion in the "City" makes it the fastest growing political alternative in this district. /At the same time, its chance of getting in the Senate seems minimal/ (even in 2 years).

Without the capacity to penetrate into the interior (Alsogaray's influence, at least so far, crosses the General Paz to reach the residential districts in the north), it only sets its hopes on Buenos Aires Province where it hopes to harvest, /from the hands of Jorge Aguado/, what the ruralist sowed during his government.

Even assuming that it gets the support of the conservative sectors, /it does not have the participation of the neighborhood groups that in some parties represent up to 30 percent of the votes on the community level/.

Its best winning card, therefore, is not the positions it obtains /but the number of votes which could total more than 500,000/ if there are no surprises.

The situation of the /provincial parties with a federal orientation/ is exactly the opposite. Without many more votes, these sectors already have /six senators and several deputies/ with some possibilities of significantly expanding their base in the lower house. In line behind the governor of Corrientes, /Jose Antonio Romero Feris/, and the "owner" of San Juan, /Leopoldo Bravo/, this populist border group has the attraction of the locals and control at this time of the /Federal Investment Council/ in its favor. This council, after clever political moves, remained in the hands of the area representative.

/Nevertheless, it lacks weight in the federal capital/ and has very little chance of growing significantly (at least by next year's elections) in Buenos Aires. It does not have such a defined leader like the UCD does since Romero Feris is still not accepted in the other provincial parties as the leader of the current.

/Its main virtue consists in the lack of an obligation to a front for next year/ since each provincial party can play its own game without compromising its independence at the national level. /In other words, time is in its favor./

In addition to Corrientes and San Juan, they have to their credit important support in /La Pampa (Ismael Amit), Jujuy (Guzman)/ and /Salta/ (the followers of former governor /Ulloa/).

Unknowns

Within this framework, there are still some important unknowns to determine:

a) /No one knows for sure if the controversial Manrique will agree to step aside after his failure last year that makes him the main one responsible for the centrist defeat./ So far there are only traces of a new rapprochement with the democratic progressive /Rafael Martinez Raymonda/ (partner on the ticket in his brilliant 1973 campaign)--with influence in Santa Fe--through the former minister of social action, /Adolfo Navajas Artaza/. However, it must be remembered that /this Corrientes resident maintains an excellent relationship with Romero Feris/.

b) The position of /Guillermo Belgrano Rawson/, on the ticket with Manrique in 1983 /with some weight in San Luis/, is not known.

c) It is not known what will happen with the formerly powerful /Democratic Party of Mendoza/, decimated by the active participation of /Frugoli-Cejuela-Gabrielli/ during the Process. The old group is going through a period of slow rebirth (remember that the provinces of Cuyo are actually very conservative) and has kept profitable contacts with Alsogaray's men as well as Romero Feris'.

d) /It is hard to predict the behavior of Maria Cristina Guzman/ who went from Manriquism to anti-Manriquism but kept a strong desire for power.

e) It is impossible to predict the result of the contacts between the /"liberals"/ and the /"federals"/ after a meeting between /Aguado/ and /Romero Feris/. In spite of the fact that the latter denies any possible alliance with Alsogaray, /in politics the impossible is only a temporary factor/.

Conclusion

/Never in the modern history of Argentina did the independent sectors have so much chance to affect major politics./ Today, supported by the man from Neuquen /Felipe Sapag/--who has trouble "marrying" anyone--/their votes are the most valuable in the Senate/ since they decide any election.

/After next year's elections, logical figures show that it is very feasible that their benches will be decisive in the lower house also./ However, to really have an effect, they must unite despite the differences that can separate them. Otherwise, they will obtain a slight temporary edge but they will remain far from real /power/ and Argentina will continue on a road of false alternatives.

They must mature.

7717

CSO: 3348/30

MINISTERS OF TIN-PRODUCING COUNTRIES MEET IN SANTA CRUZ

Meeting Summarized

La Paz HOY in Spanish 3 Oct 84 p 2

[Text] Expressing its very sound judgment, the medium-scale mining industry recommends that the APPE (Association of Tin-Producing Countries), which is meeting this week in Santa Cruz de la Sierra, be prevented from being able "to force Bolivia to rejoin the CIE (International Tin Council) or the Tin Research Institute, and, much less so, to impose formal export controls upon it." These words turned up in a comment made by our subsoil industrialist on the meeting. The latter was attended by the following countries and personalities: The mining ministers of Malaysia, Nigeria, Indonesia; the vice minister of industry and energy of Thailand and special envoys from Australia and Zaire. The mining minister of Bolivia and various domestic and foreign technical delegations will certainly also attend. The Indonesian Victor Siahian, chairman of the APPE Executive Committee, will attend as representative of that organization.

One of the most pronounced concerns in the tin producing countries has to do with market management. A phenomenon has developed in the CIE which is not encouraging for the producing countries. We are talking here about the presence, among them, of consumer countries that carry great industrial weight and that in reality control and monopolize the market. Control means price-fixing and competition with the APPE, it means promoting a policy of influencing the processes involved in selling minerals because it dumps --as in the case of the United States through the GSA--quantities of its accumulated tin reserves. This harms countries such as Bolivia that have high operating costs.

Another matter that also deserves the attention of the meeting has to do with the activities and the future of the APPE which is not supposed to be a simple sales outfit (like the CIE) or which must not become its alternative. In reality, the desire is to have it acquire the image of an auxiliary element but it is necessary to prevent it from becoming an academically-oriented mechanism because that would alter its political and economic projection in terms of defending the producers and watching over activities on the market.

Our medium-level mining operators pointed this out in their note: "Without downgrading the importance of the areas toward which the APPE is orienting its actions, we believe that concentrating only on them introduces the risk that the APPE might in the long run become a merely academic body." One cannot deny that the domestic sector, which will attend this important meeting, has a series of reservations regarding the manipulations of the market which are the result of repeated experiences. But it is also a good idea to note that the external actions are piling up, as expressed clearly by the actions of the current administration which is pursuing a policy of discouraging our industry; this situation increases the tendency toward reducing the output and that situation has gotten worse since 1982 and there are no indications as to any improvement--if anything, it looks as if the situation is going to get worse.

They also stressed the fact that countries such as Mainland China and Brazil--which do not belong to the CIE--have a growing production and influence on the market. On top of that, they maintain an independent position.

Low Prices Cause Concern

La Paz HOY in Spanish 3 Oct 84 p 3

[Text] There is concern in the COMIBOL [Mining Corporation of Bolivia] because tin prices have reached their lowest level this year on the international market in London.

This situation, HOY was told by that nationalized enterprise, places the sector in general in a delicate situation since just one cent represents thousands lost to the country.

Price Fixing

A price of \$5.23 per refined pound of tin on the London market was recorded for the second consecutive day yesterday.

This figure is the lowest for this year, after last August's figure of \$5.33 per refined pound, in other words, 10 points less.

As a matter of fact, during this fiscal year, tin prices were not encouraging for the mining industry and on the average fluctuated around \$5.60 per pound.

The highest price was only \$5.81 and it was recorded in March of this year.

Costs

Even at the highest prices, sources said that it was impossible to achieve the kind of profitability required by the sector, especially in the case of Bolivia, where mining is completely uncertain, in other words, it is determined

y by the minehead fineness, the high price of the machinery, equipment, tools, and other materials, the increase in the cost of electric power and transportation services, as well as other factors which come on top of merely industrial factors, such as the low yield in the refineries. All of this adds up to an obsolete operating process, which is poorly supplied and expensive and which in some cases comes to as much as \$22 per refined pound of tin.

The source said that it is hoped that, now that the directors of the AFPE are meeting, now that the ministers of mining are analyzing this situation and drafting some strategies in response to this situation, it will be possible to stop these abrupt losses in tin prices.

Conference Ends

La Paz HOY in Spanish 6 Oct 84 p 8

[Text] The Second Conference of Mining Ministers of the Association of Tin-Producing Countries--which deliberated on the problems they face for 2 days--ended here with a series of recommendations.

After lengthy analyses, they agreed on the need to increase their tin research and development plan as well as their sales program.

The conference reviewed the current worldwide tin situation, emphasizing the fact that, over the past several years, the tin industry has been hit by the severe problem of surpluses. The increase in the mining output, along with the sale of tin reserves by the United States GSA, as well as the reduction in consumption due to the prolonged worldwide economic recession and structural changes in the use of tin have caused an accumulation of the mineral that threatens the market. In spite of the measures taken by the CIE, which includes strict controls over exports and reserve stabilizing operations, which are carried out at an enormous cost to the producing countries within the CIE, the situation has not improved.

On the other hand, they agreed that control by the Council must be continued. This must be done until the market returns to normal. This reduction in exports caused serious social-economic problems in the Council's member countries, it was pointed out. It was noted that this sacrifice is considered essential for the international tin industry in general.

The conference also felt that other tin-producing countries that failed to reduce their output did not follow the petition of the "ITC" to cut its output in view of the current market situation.

It was explained that the output in some of those countries increased in terms of its tendency to increase their output [as published]. The conference of mining ministers urged those countries and their producers to realize that they should reduce their overproduction, to the benefit of all producers, and that they should therefore cooperate by reducing their output in order to speed up the return to a normal market situation.

The conference also asked consuming countries for their complete support for the producing countries in their effort to improve and stabilize the tin market and especially the United States with regard to its program of dumping its stabilizing tin reserves.

The conference agreed to meet for its third session in Australia in October 1985.

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CSO: 3348/51

BOLIVIA

GOVERNMENT PORTRAYED AS VULNERABLE TO LABOR PRESSURES

Santa Cruz EL MUNDO in Spanish 14 Oct 84 p 1

[Text] La Paz--The inevitable erosion of political support for the government has left it weak and vulnerable to union pressure, as organized labor imperiously demands that it make substantial changes in its economic policy.

During yesterday's rally of wage earners and peasant farmers, organized labor gave itself the "democratic" satisfaction of issuing an ultimatum to the head of the listless Executive Branch, who could only manage to receive a COB [Bolivian Labor Federation] commission and assure that another round of talks would begin.

The "ultimatum," which contains the implicit threat of a general strike (how extensive it will be, no one knows), demands that the administration take a stand and say whether it will adopt the so-called "COB emergency economic plan" totally or partially or whether it will continue somehow to pursue, bit by bit, its much criticized and ineffective anti-inflation policy.

The Economy Adrift

It is indeed noteworthy that the speeches delivered at the inauguration of the "new," albeit incomplete Council of Ministers made terse mention only of the "beginning of a new and essentially political stage of the administration." Meanwhile, the national economy continues adrift, in fact, without finance and industry and commerce ministers.

The much heralded new stage of this administration has begun in a far from promising manner, just like the first stage, with only good intentions, without well-defined policies and, what is worse, without a determination to get the economic crisis under control

In spite of periodic financial aid, government manufacturing enterprises are still in critical condition, lack discipline and have no specific industrial goals.

The Mining Corporation of Bolivia (COMIBOL) reported that for the nth time it was implementing an "emergency" reorganization plan, purportedly worked out by the authorities (joint managers) and technicians, to halt the decline in output by using available resources. Just yesterday, however, the workers left mines, mills, shops and stores to join in the rallies called by the COB.

The oil workers union is trying on its own to set adjusted prices for fuels, forcing the new hydrocarbons minister to negotiate with labor leaders.

The National Smelting Enterprise is pursuing its own reorganization policy, borrowing money from COMIBOL and other firms, but with no funding of its own. It demanded \$60 million from the government.

The National Railway Enterprise, which has been under reorganization for years with World Bank loans, is unable to guarantee regular service, owing to suspensions because of blocked tracks or the settling of ground, mainly on the line to Cochabamba.

Confusion

In the private sector of the economy and among the populace in general, the confusion over the present state of affairs is turning into anxiety.

There is no assurance of normal operations in factories, banks and small businesses, as employees might stop working for any reason on any day, while the unions keep demanding wage boosts.

The takeover of companies by workers is a threat that at times seems quite likely to materialize.

Because of the imminent application of economic "adjustments," some merchants refuse to sell anything until they learn the new exchange rate.

There is practically nothing available at markets, no meat, no tubers, no vegetables.

It was amid these sad conditions that organized labor decided to impose its own economic policy on the government, and the administration agreed to talk.

The new "dialogue" will be bilateral only: the administration and the COB, as if business did not exist; in any event, its views are ignored, confirming that the government is at the mercy of union pressures.

8743

CSO: 3348/50

MNRI FACTION CALLS FOR GENERAL PROTEST TO ECONOMIC PACKAGE

La Paz HOY in Spanish 3 Oct 84 p 8

[Text] The MNRI [Nationalist Revolutionary Movement of the Left]-20th Century proposes a general mobilization of the people in response to "a new economic package which is practically ready to be hurled against the stomach of our people," says a document issued by that political sector while at the same time arguing that these measures are intended to consolidate the effort of improvisation and patchwork in economic matters and to slap the farm workers and the poor classes in the face.

Marcelo Barron and Franklin Anaya, who signed the document, maintain that "once again the mistaken actions on the exchange rate of the Bolivian peso in relation to the dollar, the fixing of real prices for basic items in the family shopping basket, the elimination of subsidies, the rise in transportation rates, the rise in rates and prices for utilities, the miserable increases in the people's income, the decline in the money supply, and finally the reduction in the effective demand, the failure of the production machinery to recover--these generally typify what the administration is trying to impose upon the country now."

Pointing out that Bolivia is facing a new attack on the people's economy, the MNRI-20th Century states that this involves not only the inability on the part of those who propose and approve government measures; instead this involves above all the concept which the administration now has as regards the model of economic accumulation which is totally alien to the national and popular interest and which helps those who increase their power as a class.

This political sector finally points out that the administration's measures must be rejected resolutely and that this rejection must come through the worker and peasant organizations, the residential district organizations, and the parties that consider themselves to be on the national left.

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CSO: 3348/49

KOLLE CUETO SAYS NOT OPPOSED TO PDC IN GOVERNMENT

La Paz HOY in Spanish 13 Oct 84 p 16

[Text] The Communist Party of Bolivia did not object to the presence of the Christian Democratic Party in the administration; instead, Democratic and Popular Unity decided to make up the cabinet in the vital area of economic policy with ministers from the front, said communist leader Jorge Kolle Cueto.

"We do not assume the attitudes which we are credited with by the Christian Democrats and we did not object to the presence of the PDC [Christian Democratic Party] in the cabinet; we always above all felt that, in the last cabinet, the PDC had undertaken some kind of obligation toward the UDP [Democratic and Popular Unity]," he said.

"Our basic idea has not been aimed at a single-party system and deals with the area of contact with the COB [Bolivian Labor Federation] in the fundamental sector of economic policy which the UDP program must carry out with ministers from the UDP," he said.

In its document stating its withdrawal from the administration, the Christian Democratic Party maintains that the PCB [Communist Party of Bolivia] surrounds the president in order to monopolize the government and that this party supposedly proposed a plan for a realistic solution to the crisis.

Concerning this position, Kolle Cueto said that the only program which was discussed in the administration was the program of the UDP. "That is the only program that is known in the front's CEN [National Executive Committee]."

He added that the proposal which the administration made to the COB has to do with the UDP program, a document that was signed by Christian Democratic leader Luis Ossio Sanjines.

The return of the Christian Democratic Party to the administration is in the hands of President Siles Zuazo, "and he is putting his cabinet together and our comments are reduced to the vital area of economic policy which must be expressed by the UDP, nothing more."

With the COB

On the other hand, the communist leader announced that the dialogue with the COB will be developed starting next Monday, based on the program of the UDP and the emergency plan of the workers.

The conversations must be constructive so as to seek solutions to the country's crisis, he said.

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CSO: 3348/49

ECONOMIC, POLITICAL CHAOS SEEN AS INCITEMENT TO VIOLENCE

Cochabamba LOS TIEMPOS in Spanish 14 Oct 84 Supplement p 3

[Article by Jose Nogales Nogales: "Frustration Unleashes Violence"]

[Text] Will it be necessary to wind up with ashes in order to build a new country? We are on the way to causing burning red-hot coals which perhaps will end up in ashes. But who will build that new Bolivia? The country is breaking up and this is happening as the result of an administration that failed to respond to that multitude which, 2 years ago, hailed what was assumed to be a call to correct mistakes and to move the country in the right direction after it had gotten off the track.

The disappointment is indescribable and it even goes beyond ideological differences. Disappointment is the common denominator of this nation. It is not unusual to promote unity through disappointment because both Moors and Christians were exhausted by all of those mistakes 2 years after that hope had created so much popular warmth.

A program which we assumed would be brought out was instead filed away by its own promoter, the UDP [United Democratic Party]. Its postulates were cut back in view of the magnitude of the economic crisis. And its leader also found himself helpless in the face of the gigantic undertaking implied in restoring the democratic process. The crisis wore the leader down and the coalition of parties (UDP) did not rise to the challenge.

The failure of the UDP--which pushes the people to the brink of hunger--can turn this land-locked country into the kind of battlefield which we have never seen before. The civil wars of the past would be nothing compared to that because this coming war would be bloody and would be marked by much hatred. Hunger is causing anger and impatience among the workers. They do not resign themselves to accept malnutrition for their children and this is why they have ended the atmosphere of calm in recent days and, as in Oruro have even caused incidents that can only be considered natural reactions.

In Friday's march against the acceptance of the economic "package" advised by the IMF and the preservation of the democratic process, the workers in

La Paz came out against the "bourgeois parliament" even going so far as to demand that it be closed. They want to replace it with another one which would be a body of popular expression. The disgust which it produces among the workers is due to the lack of solutions to the economic crisis in that government body, "an expression of democracy," where coups are precisely hatched. This has happened before and they say that it can happen again.

Walter Delgadillo replaced Lechin who went around looking for solidarity to prevent the boycott of private international banking (it was to start yesterday), without the calm attitude of the "teacher" and allowing himself to be swept along by his youthful enthusiasm--confronted the administration with an ultimatum regarding two things: Institute the Economic Emergency Plan of the COB [Bolivian Labor Federation] and the Worker Parliament. He expressed the irrepressible desire for kicking the members of parliament out. If this were to happen, according to Delgadillo, the government would have to take care of the consequences. What could those consequences be? Promoting the defeat of Siles and the UDP? Seizing power and facing all the subsequent risks? We think that this is an unfortunate step especially in a new leader.

Delgadillo is supported by the DRU [Unified Revolutionary Directorate] which, in the COB, represents the radical sector. This is where a kind of violence is brewing which could be difficult to control at a certain moment. The dynamite explosions in Oruro and La Paz this week are just some puny samples but they give us an idea of the danger deriving from a wave of violence that could take on the dimensions of a civil war.

Concentrating mostly on domestic events, we have failed to look around. We failed to notice that our neighbors, those least friendly to us, are on the brink of the outbreak of that internal war that is supposed to take our natural wealth from us. Our history is a mirror in which we must not fail to see ourselves. Here we can see quite clearly that the three wars fought during our existence as a republic had the same origin: the depredation of our wealth.

We are bound to be worried by the ideas of the extremists in both camps who want the country to be in ashes and cause its people to bleed, as is happening in El Salvador now.

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CSO: 3348/49

PDC'S EROSION LABELED CAUSE FOR WITHDRAWAL FROM GOVERNMENT

Cochabamba LOS TIEMPOS in Spanish 12 Oct 84 p 7

[Article by Jose Nogales Nogales: "Notes"]

[Text] The PDC [Christian Democratic Party] has withdrawn from the UDP [Democratic and Popular Unity] government, claiming a belated disagreement with the Communist Party. After 2 years, they recently realized that they "do not mesh." The apparent disgust of the PDC that made it withdraw springs from the frustrated installation of Jorge Agreda Balderrama as finance minister, a job which Siles gave to Bonifaz in the previous cabinet, not so much because of his ability in this field but because, at that moment, this was an important thing to do in playing the game with the IMF. His appointment, we recall, came after the administration, pressured by the COB [Bolivian Labor Federation], decided to postpone payment of the foreign debt. This was a way of telling the IMF that this determination would be used only to stop an offensive from the COB because Bonifaz is a man who thinks along opposite lines, a supporter of the idea of paying the foreign debt and charging real prices, without regard as to the social cost. Bonifaz was thus used not because of his economic knowledge but because he came from the middle-level mining industry, because he was a supporter of private enterprise and a practicing Christian. Jorge Agreda, with whom the PDC wanted to replace Bonifaz, did not win anything in the administration. In the Ministry of Integration he was completely lost.

What can the departure of the PDC mean to the UDP administration? Exactly the same as its presence in the executive branch which was not important when--after the exclusion of the MIR [Movement of the Revolutionary Left]--it came in as replacement. Let us not speak of the trend among the population because it is almost insignificant although, to be optimistic, like its top leaders, we might say "it is still not important." A review of its almost 2 years of joint rule with the UDP is not at all favorable. The Christian Democrat Bonifaz did much less than had been hoped. Along with Ernesto Aranibar, he is responsible for mistaken measures, such as dollarization, the differentiated exchange rate, and the issue of foreign exchange to make trips, which caused a painful dollar drain. In the Ministry of Urban Development and Housing, Ponce Garcia did something to solve the drinking water problem in Potosi, while in the Ministry of Integration,

the man in charge was completely lost, to the point where we must assume that this ministry had been dissolved by the "wartime economy" of Dr. Silas.

So, the PDC is walking out of the administration, not because it suddenly realized that it does not "get along" with the PCB [Bolivian Communist Party], nor because Agreda did not get to be finance minister, but because a strong group in that party objects to its continuation in the executive branch. Now, why does it object? Apparently because only a few are exploiting the benefits of power. Its old militants realized that the PDC is wearing itself out in the administration. In the field they have realized that this party, far from growing, is actually shrinking. Its decline can be blamed not only on its continuation in this administration but also on the previous administrations. It is becoming a rather fickle party, liable to turn any which way. Now we hope that the PDC will not become the most furious opponent to the regime for whose failure it is jointly responsible.

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CSO: 3348/49

BOLIVIA

ORURO DISTURBANCES REPORTED, COMMUNISTS BLAMED

Democracy Threatened

La Paz HOY in Spanish 10 Oct 84 p 6

[Text] Oruro, 9 Oct--The department prefect, Victor Gonzalez Ayala, has charged that communist activists and some fascists were the main instigators of the violent disturbances that took place yesterday in this capital and that caused unrest among citizens for several hours.

He said that the incidents, which were provoked by groups of miners, are a repeat of what happened in 1981, when the military imposed its dictatorship.

"I was jeered and mistreated by a group of hotheads, but I will not lose my cool and I won't go into exile, as the people who are now pushing to destabilize the constitutional government did," stated Prefect Gonzalez Ayala at the press conference he called.

Referring to the problem that triggered the violence yesterday in this city, he announced that the government did not authorize an increase in transit fares; "rather, it gave instructions to the local authorities to talk things over with drivers, bearing in mind that topographical conditions in Oruro are different than in other departmental capitals.

He clarified that the drivers decided on their own to charge higher fares, ignoring official regulations, adding, however, that this was no reason for demonstrators to stone the prefecture and the offices of the drivers. "Our democracy is currently being manhandled," he added.

He concluded by pointing out that the public service vehicles seized by the miners belong to the government through the transit office, which has legal standing.

Further Disturbances

Cochabamba LOS TIEMPOS in Spanish 13 Oct 84 p 1

[Text] Oruro--The labor protest march called by the COB [Bolivian Workers Federation] lapsed yesterday into stone throwing at private and government buildings and dynamite explosions that shattered windows, storefronts and electric signs in this capital.

Daniel Ordonez, the secretary general of the San Jose Mineworkers Union, speaking over the union's radio station, openly called for an attack on the private sector and hurled insults at newsmen from this city before the march.

Miners from towns near Oruro and from medium-sized companies arrived here to join the demonstration protesting the government's inability to overcome the economic crisis and denouncing the new economic measures that will be issued soon.

As they marched through the streets, the demonstrators hurled rocks and other projectiles at the windows of businesses, government buildings and private homes. A stick of dynamite shattered windows on the eastern side of the prefecture building.

For the second day in a row this week, the people of Oruro experienced some anxious moments because of the excesses committed by the miners.

The miners made the return of public buses contingent upon the services of the National Motor Vehicle Transport Enterprise in this district.

Drivers Take Reprisals

Cochabamba LOS TIEMPOS in Spanish 13 Oct 84 p 7

[Text] Heavy vehicle drivers have decided to stay away from Oruro to protest the vandalism early this week when miners destroyed some of their vehicles.

This decision by the country's teamsters could lead to shortages in that city.

Teamsters leaders announced the decision yesterday. They indicated that government authorities must impose the principle of mutual respect and prevent rights from being trampled.

Spokesmen from the Departmental Federation of Transport Workers charged that several vehicle owners from the federation were virtually kidnapped and forced by the miners to unload their cargo at the San Jose mine.

In protest over this abuse and vandalism, the country's transport workers will boycott Oruro.

If they make good on their harsh decision, the city and nearby mining centers will probably suffer shortages and be left without motor vehicle transport links.

Fares

Antonio Valera, a leader of the Departmental Motor Vehicle Transport Federation, said that bus drivers would not work for the fares imposed by the commission set up by the mayor's office and other institutions.

The drivers would rather stay home than work for those fares, he contended.

The mayor's office and other institutions set up a commission that 3 days ago set a 300-peso fare for passenger service within the radius of the city instead of the 400 pesos that the drivers themselves set.

8743

CSO: 3348/50

BOLIVIA

THOUSANDS OF WORKERS DISREGARD COB'S DIRECTIVES

La Paz HOY in Spanish 13 Oct 84 p 10

[Text] Cochabamba--Workers called for the enactment of the emergency plan of the COB [Bolivian Labor Federation] and renounced the economic policies of the Democratic and Popular Unity (UDP) administration during a labor demonstration and rally here this afternoon.

Today's demonstration was not as forceful as others, as some 10,000 industrial workers who did not agree with the COB's decision stayed away; they are waiting for the federation "to respond to the proposals that have been submitted for its consideration."

Union and federation members marched through the streets of this city "almost compelled by circumstances," protesting the government's economic policies and demanding the enactment of the COB's emergency plan.

Three speakers assessed the situation in the country and sought to justify the grassroots opposition to the UDP regime.

Juvenal Castro, an MNRI [Nationalist Revolutionary Movement of the Left] deputy and peasant farmer leader, said that the workers, the middle class and the farmers are bearing the brunt of the economic crisis and the mistaken economic policies of the government.

He denounced the aims of the fascist coup, saying "once again we are at a crossroads with those who are trying to impose an authoritarian regime on us," and adding that the peasants identify with the cause of democracy and the tenets of the Bolivian people.

The executive secretary of the Departmental Worker Federation, Sabino Rodriguez, denounced the administration's policies and said that Dr Siles has not kept his pledge "to resolve the country's problems; on the contrary, he has intensified them, thus aggravating the situation of lower-income groups."

He outlined the foreign debt situation and the dangers lurking for Bolivia if the government is obliged to meet the payments on this debt.

He said that the services sector of the economy, such as private banks, importers and speculators, has benefitted the most from the crisis.

He indicated that the government ought to move against those who are currently benefiting from the crisis so that it can alleviate the serious problems besetting the Bolivian people.

Cautioning that there will be serious problems plaguing the workers in the future, he noted that the COB's emergency plan ought to be put into effect to cope with the situation and its impact.

Dr Siles has to tackle these problems or do the best he can not to worsen the situation, he added.

Speaking next was Gustavo Giacomani, a Communist deputy and COB leader. He outlined the labor organization's policies and pointed out the threats to the country's democracy arising from the calls for a coup from the reactionary Right, in which the ADN [Nationalist Democratic Action] and the MNRH are entrenched powers. "Either we get the government to correct its policies or we demand a change in government," he said during the speech he delivered from the balcony of the Industrial Workers Federation overlooking the main square.

He explained that the COB is looking for the best way to have the government correct its policies and implement the emergency plan of the nation's leading labor federation.

He said that the economy's services sectors are the ones that are benefiting from the current situation, which is something that the UDP regime should bear in mind.

He denounced the opportunists and rightwing politicians who want to see democracy in Bolivia fail.

He announced that the workers should proceed cautiously on the basis of COB instructions in order to preserve democracy and the tenets of the Bolivian people.

8743

CSO: 3348/50

BRIEFS

REVOLUTIONARY STUDENT FRONT--"Those who still consider themselves to be on the left and to be revolutionaries have the obligation of immediately constituting the Anti-Imperialist Revolutionary Front, the unity of the entire nation which is oppressed, under the political leadership of the workers"; this will "do away with fascism and it presupposes smashing the foundations of the current capitalist system of exploitation." These ideas are contained in an announcement signed by the executive and general secretaries of the Local University Federation in La Paz, Erick Rojas and Guillermo Marin, respectively. The document also maintains that "we are facing an unusual economic-political crisis" and that "experience has shown that the answer is not a change in personalities in the ministries nor even in the government's economic plans." Later on it is pointed out that "the current crisis has nothing to do with the economic situation and is not merely political; instead, it is the consequence of the explosion of the structural contradiction of the society in which we live. It has ceased to be purely economic and it can no longer be solved with monetarist or superstructural measures. From the economic and the political aspect it has shifted to the social aspect. This means that the bourgeoisie--this time represented by its democratic wing--has failed in the exercise of power." The document also states that, on the basis of the ministerial reorganization, the government will shift further to the right and this is why the Communist Party of Bolivia --which "no longer controls the leadership of the COB [Bolivian Labor Federation] and even less so the masses"--will be kicked out of the UDP [Democratic and Popular Unity] scheme because "it is no longer useful for the plans of Siles." [Text] [La Paz HOY in Spanish 9 Oct 84 p 16] 5058

CSO: 3348/49

FIGUEIREDO SCORES CRITICISMS OF OPPOSITION PARTIES

PY311330 Brasilia Domestic Service in Portuguese 2331 GMT 30 Oct 84

[Address to the nation by Brazilian President Joao Figueiredo on 30 October--recorded]

[Excerpt] My fellow Brazilians, as I announced a few days ago, I have decided to present to all the nation a report on the work performed during my administration. First, I disclosed what we achieved in the energy and mining sectors. The reaction and commentaries by several persons convinced me that I had made a timely decision by prompting this series of sectorial assessments on the achievements of my government.

During my tenure I have ensured full freedom of expression for the society. Nobody has been hindered in their right to express themselves. Under the existing legal provisions, I have guaranteed full press freedom. Thanks to these guarantees, the political debate under my government has taken place in a democratic atmosphere, one of indispensable freedom.

Hungry to capture the electorate's sympathies, the opposition parties have assumed a stand of passionate and systematic criticism against all that the government has done or is doing. Taking advantage of the adverse circumstances of the world economy, the opposition parties have tried to make the government responsible for its consequences, that is, the hike in oil prices, the rise in international interest rates, the shrinkage of foreign markets, the shortage of financial resources--even for the drought and the rain. Seized by the ambition to hold power and by political passion, my opponents even attempt to challenge and to deny the most remarkable and obvious results of the work that we have performed, not only the work of my administration, but the work performed over the past 20 years of transformation and modernization in Brazil.

It is hard for me to believe in what I hear and see when I see and hear them asking and proposing measures, measures which were adopted a long time ago or measures which have proven untenable and not viable. This attitude downgrades the debate by driving it toward a factionalism that is simply demagogic.

I am especially concerned over the fact that, after repeating this rhetoric so frequently, these professionals of negativism may contaminate the country with their defeatist thinking. I am also concerned over the injustice that they

commit when, in this way, they deny what has been done. This injustice merits my concern, not because of myself, but because of the thousands of our countrymen who have worked and are working in this wide-ranging project of national construction.

We Brazilians are not a forsaken and incompetent people. We are building up ourselves within our territory as a modern nation, a nation of free and hard-working people.

Over the past 20 years, we have achieved extraordinary qualitative progress. And under my administration, we continue transforming the country's structures, despite the fact that we have faced the worst economic crisis that the modern world has experienced.

Nevertheless, they insist in denying this truth. And they can only do this, trusting that you are not acquainted with the truth. They feel that you are poorly informed. Therefore, I want to remember how much we have achieved in different areas of government action. By doing this, I do not want to boast on the initiatives taken by my administration. I do not want, indeed, that you ponder on how much we have grown or how much progress we have achieved and that, aware of our reality, you renew and reaffirm the certainty that Brazil offers the best opportunities for those who want to work and progress.

In my previous speech, I outlined our achievements in our struggle to strengthen our independence in the energy sector, which enabled us to increase our production of oil, electricity, alcohol, coal, and minerals.

I assigned priority to energy because today we must provide for our energy needs to maintain the economic development of our country. And without development, there can be no employment, business, or prosperity.

The Brazilian development process is still heavily based on the exploitation of our natural resources. Therefore, to develop the Brazilian economy we must expand and strengthen the population of our territory, clear accesses to still unsettled regions, organize the economic exploitation of these regions, and set up means of transportation so that all Brazilian population centers can be linked.

This is an imperative imposed on us by our situation. Therefore, from 1974 up until today, we have built a gigantic road system; we have built and modernized ports and airports; we have repaired railways and built new ones; and we have expanded our air routes. With a high degree of national components, we have also started to build airplanes, ships, trucks, cars, trains, and buses. These achievements cannot be questioned.

CSO: 3342/33

FIGUEIREDO VOICES 'SATISFACTION' OVER REAGAN VICTORY

PY090150 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 84 p 16

[Text] Brasilia--General Waldir de Vasconcelos, chief of the Armed Forces General Staff, yesterday said that President Figueiredo has expressed satisfaction at the reelection of his personal friend, President Reagan. In a brief note released yesterday, Foreign Minister Saraiva Guerreiro also expressed his satisfaction at Reagan's reelection.

In his note, Saraiva notes that the U.S. President has always shown interest in U.S.-Brazilian relations and that he came to Brazil late in 1982 to return a visit President Figueiredo had made to the United States in May, 1982.

Saraiva says that the contacts between the two presidents have been instrumental in building the current "high standard" of relations between Brazil and the United States. "We have every reason to believe," Saraiva says, "that in this new presidential term, Brazil and the United States will continue on the same path of good understanding and cooperation."

CSO: 3342/33

MALUF-NEVES POLITICAL INFIGHTING REVIEWED

PY282156 Rio de Janeiro LATIN AMERICA DAILY POST in English 28-29 Oct 84 pp 1, 4

[Special to the DAILY POST, by Herbert Zschech]

[Excerpts] Rio de Janeiro--It has been a successful week for the "Malufistas," but the "Tancredistas" also score some advances in this successional campaign where both candidates claim to have their victory already guaranteed with large margins.

The "Malufista" success was substantiated in the decision made by the Senate board--with the casual absence of the "Tancredista" members--that the delegates to the electoral college representing the government's PDS in the states where this party has the majority, should be elected by secret voting.

Candidate Tancredo Neves called it a "dirty game" indicating that it is a rule in detriment of his candidacy, although he subsequently stressed that it might also favor him in some states.

Anyway, the controversial Senate leadership ruling gave some votes to Maluf in the electoral college. The Tancredo Neves supporters--especially the PDS dissidents--reacted, pressuring for immediate election in the state legislature of the college delegates, in order to leave less time for Maluf to "persuade" members of the PDS--benches for supporting him--a strategy of which he is said to be a mast--elicited several charges of vote buying brought against him in the last few days.

Maluf has reconquered a few of the state delegations, or a few members of these, against the state governors siding with the PDS dissidency in favor of Neves. The battle will continue this week.

Much will depend on the electoral rules still to be established, probably this week. Malufistas are trying to make the voting in the electoral college secret, as they have achieved already for the election of the party delegates to the electoral college. In this case, considering the undeniable unpopularity of Maluf, delegates "persuaded" to support him, may do so without a fear of incurring popular hostility. Should voting in the electoral college be made open as the Tancredistas want it, in front of the television cameras with the voting by each delegate immediately made public, many would-be Malufistas will not muster the necessary courage for countering what appears to be the near consensus of public opinion against Maluf.

CSO: 3300/2

TUCURUI HYDROELECTRIC PLANT NEARS COMPLETION

PY060128 Paris AFP in Spanish 2213 GMT 5 Nov 84

[Text] Belem, Brazil, 5 Nov (AFP)--It was reported today in Belam that the first group of turbogenerators of the Tucurui hydroelectric plant, which is located on the Tocantins River in the Brazilian Amazon region, will begin its operations on 9 November, when it will be connected to the north-northeast electrical system.

The information was released by the CHESF (Sao Francisco Electricity Centrals) and the report adds that the tests on this turbogenerating group, which has 330,000 kw of installed power, will begin on 7 November.

The CHESF also reported that on 22 November Brazilian President General Joao Figueiredo will officially dedicate this hydroelectric plant, which is located 300 km from Belem. When its 12 turbogenerators are in operation in 1988 the plant will have an installed power of 3,960,000 kw.

The energy produced by Tucurui will be used in the exploitation of the vast mineral fields of Sierra de Carajas, including an iron field that has reserves estimated at 18 billion tons.

Industrial, agricultural, and livestock center will also be installed in the Amazon region in the neighborhood of Tucurui. These centers will use the electricity that is produced by the hydroelectric plant, which will also distribute energy to several urban areas in the states of Para and Maranhao.

The filling of the Tucurui dam, which began on 6 September despite a decision of the Brazilian courts and on the same day that the Federal Government fired the president of the state enterprise ELETRONORTE--which is responsible for the dam's construction--will conclude during the next few weeks when the waters of the Tocantins River rise to their maximum level of 74 meters.

Scheduled for November 1983, the filling of the Tucurui dam was delayed because ecologists had denounced the death of 40 persons close to the dam. These persons were victims of a chemical product that was used to clear the jungle in the region.

According to CHESF technicians, the testing of the second Tucurui turbogenerator will begin on 20 November and the installation of the third will be concluded by the end of 1984. Approximately \$4.2 billion will be used up to 1988 in the construction of the Tucurui plant, which began in 1976. The installation of another 12 turbogenerators has been scheduled for a second stage in order to double its installed power.

OPPOSITION CANDIDATE AHEAD IN ELECTORAL COLLEGE

Democratic Alliance-PDS Gap Increasing

PY081230 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 84 p 4

[Excerpt] Two and a half months before the Electoral College is to meet, the candidate for the Democratic Alliance, Tancredo Neves, continues to be "clearly" in front of PDS [Social Democratic Party] candidate Paulo Maluf: 395 votes against 238. This is a sizable difference of 157 votes, and it is increasing. Yesterday, that difference increased by 1 vote when Senator Eunice Michiles, PDS from Amazonas, jumped on the Neves bandwagon. There are still 43 undecided congressmen, and there are 10 congressmen who, at least for the time being, say they will abstain from voting at the Electoral College that is to elect Brazil's new president on 15 January 1985.

PDS Members Join Democratic Alliance

PY081347 Sao Paulo Radio Bandierantes Network in Portuguese 1000 GMT 8 Nov 84

[Text] Many members of the Social Democratic Party [PDS] are continuing to join the Democratic Alliance, or are threatening to do so.

This is the case here in Sao Paulo of former Governor Jose Maria Marin and of Deputy Maluly Neto, who was considered a true Maluf supporter.

The same decision has been adopted in Pernambuco by Deputy Oswaldo Coelho, in Amazonas by Senator (Raimundo Parente) and in Rio Grande do Sul by PDS regional president Deputy Victor Faccioni.

CSO: 3342/33

BRAZIL

VACANCIES, PROMOTIONS IN TOP MILITARY RANKS VIEWED

PY091520 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 84 p 2

[Excerpt] Army Chief of Staff General Magalhaes da Silveira has asked in advance that he be transferred to the paid reserve, thus allowing his vacancy to be taken into account for the promotions to the rank of general which will be signed by President Figueiredo on 25 November. There are now two vacancies for the top rank in the army's military career.

General Magalhaes da Silveira will reach the age limit for active duty--66 years--on 27 November. Major General Paulo Campos Paiva, the deputy chief of the Army's General Personnel Department, will be promoted to fill the vacancy left by Gen Magalhaes da Silveira. The first vacancy for the rank of general, made possible by the appointment of Alzir Benjamin Chaloub as a judge to the Supreme Military Court, will be filled by SNI [National Service for Intelligence] Chief Major General Octavio Medeiros.

The Navy and the Air Force also have a vacancy each for their top ranks. The vacancy for the rank of admiral was opened by the retirement of Domingos de Mattos Cortez, current general commander of the Marine Corps, and that for the rank of Air Force general was opened by the appointment of George Belham, director of the Air Force Research and Development Department, as president of the Brazilian Enterprise of Airports Infrastructure [Empresa Brasileira de Infra-estrutura Aeroportuaria].

According to information supplied by members of the military in Rio, Rear Admiral Carlos de Albuquerque will receive the rank of admiral, while Major Generals Paulo Roberto Coutinha Camarinha, Antonio Arisson de Carvalho, Thales de Almeida Cruz, Lauro Ney Menezes, and Joao Alberto Correia Neves are reportedly being considered for the rank of Air Force general.

CSO: 3342/33

BRIEFS

MALUF CLAIMS LEAD--PDS [Social Democratic Party] presidential candidate Paulo Maluf today tried to evade before reporters any responsibility for the campaign being carried out by deputies who support him. He said that his supporters are free to take the floor in Congress to make proposals. They are only compelled to vote for the official candidate in the Electoral College. Maluf said that he is leading the opposition candidate by 96 votes, but on 9 November he stated that he was leading by 98 votes. The PDS candidate added that they still have 64 days before the elections at the Electoral College and that some changes can yet take place. He said that his advantage can increase day by day. Maluf also insisted on the party loyalty in the Electoral College, adding that the (?Piaui) commission will make a decision in this regard on 21 November. [Text] [Sao Paulo Radio Bandeirantes Network in Portuguese 0230 GMT 13 Nov 84]

SUPPORTERS ON MALUF DEFEAT--For the first time important leaders of presidential candidate Paulo Maluf's faction have admitted that Maluf's ticket could be defeated in the Electoral College. The Higher Electoral Court's decision that the principle of party loyalty does not apply in the Electoral College has deprived Maluf's supporters of their main strategy. They had intended to prevent congressmen of the Social Democratic Party [PDS] from voting for opposition candidate Tancredo Neves. Deputy Amaral Neto, PDS representative from Rio de Janeiro and one of the main leaders of Maluf's faction, has stated that the lack of support granted by [names indistinct], Vice President Aureliano Chaves, president of the Chamber of Deputies Nelson Marchezan, and by most of the PDS governors represents an invincible obstacle for Paulo Maluf. However, Maluf does not sound defeated and has even stated that he will benefit from the Higher Electoral Court's decision. In this regard, Maluf stated that the PDS votes in favor of Tancredo Neves will be valid but admitted that those unloyal deputies will be punished. [Excerpt] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 8 Nov 84]

CSO: 3342/34

TEXT OF CHIEF MINISTER'S REVIEW OF GOVERNMENT ACTIVITIES

Road Town THE ISLAND SUN in English 15, 22 and 29 Sep 84

[15 Sep 84 pp 2, 11]

[Public Address by Chief Minister Romney on 4 September 1984: "Review of Government Activities"]

[Text]

Good evening ladies and gentlemen

The Government has now been in office for nine months. We have thus reached the point where we can look back and tell you what we inherited and then move on to what we have achieved over the period and what our plans are for the future. Any review of a government's activities can be expected to begin with some comments about public resources and financial prospects. This is where I would normally begin my discourse but certain political differences developed within the United Party to which reference is appropriate at this time. Those differences were reported publicly on radio by one Minister and subjected to intense discussion among Ministers, political supporters and responsible members of the community who displayed a sincere interest in the maintenance of a stable political atmosphere on the local scene. From appearances those specific differences are behind us and the way now seems clear for sustained cooperation and leadership unfettered by mistrust and political bickering. Thus the last few months have been a period of getting to know one another better and more adequately preparing ourselves for the prime purpose for which candidates are elected to office and that is to do the people's business. Having cleared the air on this important matter for which the electorate has waited, let me now revert to the review of activities to which I referred earlier.

The first part of the picture is by no means bright. The previous administration claimed on more than one occasion that the Government had been successful in its overall financial management. While this may have been so in the years before 1983, it was certainly not the case last year. For 1983, a surplus of \$177,000 was budgeted on the Operating Account. When I presented the 1984 Budget in February, I indicated that the revised estimates for 1983 showed not a surplus but a probable deficit of \$595,000. I said too that had there been a less exuberant and sometimes questionable

capital programme in 1983, there could have been a potential surplus of as much as \$700,000. I went on to forecast that while the revised estimates of revenue and expenditure would be close to the final figures, the deficit might be a little larger.

This has proved to be right. The audited Treasury accounts for 1983 show a deficit of \$765,000 on 1983's operations. Let me repeat this: the previous Government spent \$765,000 more than it collected and more than was originally authorised in 1983, thereby producing the first deficit since 1977 and the largest in the Territory's history.

You may well ask how did this come about? I will tell you. During the year, a total of 108 expenditure subheads in the Estimates were increased. These increases totalled \$1,200,000 on the Operating Account. With an extra \$1,095,000 of additional Capital expenditure, the total additional provision above and beyond the original approved Estimates for 1983 amounted to \$2,301,000. And let it not be forgotten that much of this additional expenditure has meant calling on our Reserves and reducing them accordingly. And what are "reserves", you may ask? When I speak of reserves, I mean uncommitted money in the bank as a sort of trust, or insurance against uncontrollable shortfalls in revenue, for the inevitable rainy day. The maintenance of an adequate reserve fund is a reflection of sound fiscal policy especially now that we are no longer grant-aided by the United Kingdom or anyone else and must, therefore, depend on our own local resources to fund our entire current operations and much of our Capital expenditure as well.

In view of the foregoing circumstances, therefore, I have instituted in the first half of 1984 - and I intend to continue in the same way into 1985 - a policy of strict monitoring of public spending, on which my Ministerial colleagues and I receive regular Treasury reports. The result is that the first half of this year went by with no emergency expenditure requiring contingency authorisation and only thirteen (13) items of Operating and Capital expenditure have had to be supplemented by legislative action.

Meanwhile some positive things have been happening. By the end of June - half way through the present financial year - revenue and expenditure have been paced at about the same relative level of receipts as at the same point in 1983.

At mid-year 1983, operating revenue was approximately \$9 million and expenditure was \$8.5 million. At the end of June this year, revenue was \$9.9 million and expenditure was \$9.2 million. The 1984 revenue figure is up \$900,000 above the 1983 total at the end of June; and just above the expected average for the first six months of this year.

I would say to you tonight that this is an example of successful financial administration on our annual operating account; and while I would not wish to extrapolate too much, these figures would suggest that the economy remains stable, contrary to the general pronouncements and denouncements by the disaffected among us that are sometimes made in this regard.

Many of you will know that at the end of June, a long and important new law was passed in the Legislative Council. This

was the International Business Companies Ordinance which is designed in large measure to fill the gap left by the termination of the previous Double Taxation arrangements with the United States of America. I believe that it will come to be regarded as the most significant piece of corporate legislation to reach the Territory's statute book in a decade or more. It was the fruit of long and detailed discussion between the Government and the members of the financial community both within the Territory and beyond. It is a singular example of the open Government which will continue to be a feature of the present administration and it was for this reason that the new law was enacted with the unanimous support of all members of the Legislative Council. It came into force on 15th August, 1984 and by the end of August six new companies had obtained registration certificates under the new measure - one of these with an authorised capital of \$25,000,000. Thus the measure is off to a flying start and I am told by members of the financial community that considerable interest in the new law is now developing overseas.

Let us now look at some other achievements and some of our plans for the future. First, infrastructural activities. Residents will have observed by now extensive works being carried out at Beef Island Airport. In early March of this year with less than 2 weeks to go before the end of the United Kingdom financial year, through a number of telephone calls and exchange of telexes, the British Development Division finally agreed to approve approximately 500,000 dollars for the construction of a second taxiway and aircraft maintenance and refuelling area. This will assist the flow of traffic at the Airport and at the same time permit better utilization of the limited aircraft parking space. I hope that the project will be completed before the end of this year.

During my visit to Washington, DC last February, I received a firm commitment from the Canadian Government for \$2.5 million to be spent on Airport safety development and training over a five year period. We are still working out with them expenditure details for this grant. I assure you that these and all funds will be spent as efficiently as possible, even if it means some delays in implementing the project. The Canadians, through their Mission Administered Fund, also provided navigational aids to assist pilots in locating the Aerodrome in adverse weather and provide visual guidance during the final stages of their approach, thereby further increasing the level of safety at Beef Island. These aids should be operational by the end of this month.

[22 Sep 84 pp 3, 13]

[Text]

In order to improve services and facilities in recreation sailing and shipping, a comprehensive review of this important sector will be carried out in the next few months. The aim is to ensure that ships registered in the Territory and those plying its waters are operated with uniform high standards in accordance with International Conventions and local needs. This process will require both legislative and administrative action that will include: 1. Maritime anti-pollution

activities and other offshore emergency measures relating to the protection of the environment, coastal surveillance, the safety of life and the organisation of Search and Rescue operations at sea; 2. The improvement of cargo handling activities; and 3. The increased training of personnel.

As a first step, a successful exercise to convert the buoyage system to the International Association of Light House Authorities (IALA) Maritime Buoyage System, Region B which is internationally stipulated for the Western Hemisphere, was completed at the end of June. This programme, designed generally to update and improve navigational aids, will be extended to include the installation of light markers to cover the traffic lanes in BVI coastal waters frequently used by international shipping namely, the Anegada Passage, Flanningan Passage and waters West of Tortola and South of Jost Van Dyke. Further improvements to inshore buoys will whenever necessary be made in close consultation with the charter boat operators and other interested local organisations.

In view of the apparent reduction in traffic of large ocean-going freighters on the one hand and the obvious potential for increasing cruise ship traffic calling here, socio-economic and technical studies will be carried out soon to map out the direction and scope of future improvements, development of ports facilities and related marketing programmes. In this regard, the Caribbean Development Bank has acceded to our request for a study of port facilities in Road Town and Port Purcell areas and how best they might be expanded. In the meantime, with assistance from US Aid, the main Customs jetty in Road Town will be extended by mid-December to more comfortably accommodate small cruise ships calling here whose activities are expected to increase several times over the level experienced during the last tourist season.

Turning now to the subject of roads, the Meyers to Doty section of the Ridge Road, has now been completed and the section from Doty to Sage Mountain, will be tackled this year from local resources. Several bridges including one at Long Swamp and one at Lower Estate have been completed and further studies are necessary to determine how best the road requirements of the Territory can be achieved without indulging the propensity to build roads simply to find work for every person who considers himself to be a contractor in need of work. Certain aspects of the Ridge Road, the Great Mountain Road and the Brewers Bay road remain outstanding and these will be tackled beginning in 1985 as will the completion of the paving of the Half Way Rock Road in Virgin Gorda and the road between the Community Centre and the School on Anegada.

There continues to be an increase in vehicular traffic. Our primary concern, therefore, is to improve the safety of our roads, while providing a minimum of inconvenience to the motoring public. But there can be no substitute for proper enforcement of traffic legislation and towards this end the Government has resolved to mount a veritable crusade against callous users of our highways. With over 4,700 registered vehicles and a total of some 51 miles of surfaced roads, not only is a safe and expeditious flow of traffic imperative

but of importance also is courteous driving and a proper knowledge of the rules of the road. Some improvements have already been made and the Ministry of Communications & Works has requested the services of the CFTC Road Traffic Planning Engineer to advise on present and future traffic requirements. The response has been positive and it is anticipated that the expert will arrive this year to pursue this important project.

In the area of telecommunications, Government continues to express its dissatisfaction with the quality of telephone services presently provided by Cable and Wireless, and also with the unnecessarily restrictive Agreements entered into with the Company in the sixties. The latter, which are due to expire, one in 1987 and the other in 1992 among other deficiencies, do not match up to rapidly developing telecommunications technology and it is evident that the interests of both Government and the Company would best be served were the Agreements to be re-negotiated.

Thus in March of this year, a study of the financial and technical practices of Cable and Wireless was conducted by a Commonwealth Secretariat team whose report has since been accepted by Government. In order to implement the recommendations contained in this report which includes early renegotiations of the Agreements with Cable and Wireless, a team of consultants from the Commonwealth Fund for Technical Cooperation visited the Territory recently to assist Government with the formulation of telecommunications policy. The team also participated in preliminary discussions with representatives of Cable and Wireless in respect of a possible new agreement to replace the older outmoded instruments.

Regarding the Telephone Service, Cable and Wireless has begun to provide more telephone lines to subscribers. They are presently engaged in expanding the existing services to meet consumer demand, and hopefully to bring about a general improvement in the service. A substantial such improvement in the service is anticipated by the Company within the next four months, when additional telephone equipment required is expected to be operational. The complete change over to direct international dialling is not expected by Cable and Wireless to occur before the end of 1985 or early 1986 but the Company's installation and expansion programmes will continue to be monitored very closely by Government.

Early this year, we decided in principle to establish an independent unified fire service within the Ministry of Communications & Works. Preliminary action, including training, recruitment and equipment acquisition are in train and it is hoped that early in the next year a fully dedicated service will be in place.

Water continues to rank high among Government's priorities. Phase I of the West End Supply project, that is from Carrot Bay to Sugar Mill, was opened for connections in mid-January and some 35 connections have been made since. The East End water project is now nearing completion and at Paraquita Bay the search for the development of water sources has been very successful.

The latter dovetails with the Ministry of Natural Resources' plans for agricultural development at Paraquita Bay which will become the focal point for the production of short term cash crops and animal husbandry. The strategy is partly demonstrative, until a certain level of production is reached and a sufficient number of farmers are motivated, then Paraquita Bay will revert to more experimental activities.

But activities in agriculture will not be confined to Paraquita Bay. Virgin Gorda residents will be encouraged to grow crops by the provision of arable land at reasonable rental rates. Water dams will be provided as far as possible to stimulate production throughout the Territory.

In the meantime, the Department of Agriculture and Fisheries has been organising regular meetings with farmers and fishermen throughout the Territory geared towards confidence - building in the sector and keeping them well informed, trained and committed to the growth of these two traditional pursuits.

Our farmers have experienced mounting difficulty with the sale of their cattle and livestock. An abattoir was constructed at least two years ago, the intention being to provide for the hygienic handling of meat products and inspections necessary to bring this into line with world standards. Local meat would therefore become more marketable and sales would improve. However, major alterations have had to be carried out to enable the abattoir to be used. It is anticipated that these will be completed shortly and the long awaited equipment installed so that by the end of the year the facility should at long last be working.

In the field of education, plans are underway to improve the education system and so deliver an improved quality of education to all those enrolled in our schools. These efforts will be reflected at the four levels - pre-school and infant, primary, secondary or high school and post secondary.

At the pre-school and infant level we are collaborating with the Regional pre-school centre at the Mona campus of the University of the West Indies to assist with training of pre-school teachers both for the public and private schools. We also hope through UNICEF to receive some assistance in pre-school equipment as well as further help in our training programmes. Every effort will be made to improve the physical conditions under which this age group receives education.

The attention being paid to primary education will continue to focus on two main areas - curriculum development and teacher training. In curriculum development the Territory has benefited from participating in the UWI/US-AID Primary School Curriculum Development Project in two areas - Language Arts and Mathematics. There is a new Mathematics syllabus in our schools and a new Language Arts syllabus will soon be introduced. With effect from this term, a new Primary Science syllabus will be introduced in the schools and before the end of the 1984/85 academic year the Health Education syllabus will be in operation. This new thrust requires additional physical accommodation, better and more diversified teaching equipment, and improved class-

room teaching - all of which are high priorities for the Government.

In the area of Secondary Education attention is being given to physical facilities. The Bregado Flax Educational Centre on Virgin Gorda has been provided with three additional classrooms. These physical facilities, of course, were necessary to accommodate the new developments in education and it is further envisaged that the UNESCO education sector survey which concluded in early May 1984 will help to guide further development in secondary education. The Ministry of Education is also actively pursuing other avenues to secure assistance and in the areas of (1) Computer Education we hope that very soon there will be some boost to the initial programme started at the BVI High School and (2) that Tourism Education will be more firmly entrenched in the education system. Training programmes will be available so that our children can develop the correct attitudes toward the industry. This will require the co-operation of the tourist industry at all levels and we look forward with anticipation to receiving the full support of all members of the industry.

Government is now spending in the area of \$300,000 per annum on post secondary education outside the Territory and many other scholarships are financed by international agencies and trusts, thus adding significantly to this sum. These efforts will continue, but the recipients of financial awards will have to study in those areas where the needs of the Territory are greatest. Continuing education for workers and the general public continue to be available through evening classes sponsored by the Department of Education and Culture. This programme will continue and expand to meet the growing needs of the community. Progress with the University of Hull's proposal to establish a permanent BVI College Programme will be discussed in future report.

In a nutshell, the thrust in education is to harness all available resources and utilize them to enhance educational opportunities for British Virgin Islanders by providing quality education through all our institutions and with the help of institutions abroad as well.

[29 Sep 84 pp 4, 9]

[Text]

Health services continued to improve over the period particularly at the Peebles Hospital. Emphasis has been placed on the care and comfort of patients there, and on the job training of nurses and domestic staff. In the area of Community medicine, a scoliosis screening programme was started in January of this year. Scoliosis, as you know, is an abnormal curvature of the spinal column prevalent among young women. Four young girls were found to be in need of surgery, all of whom were recently sent to Children's Hospital in Montreal and returned after successful treatment. Transportation and treatment was free of cost, courtesy of friends abroad, and also included transportation for one accompanying relative. Further screening will take place next

Winter and instituted on a permanent basis, hopefully to avoid surgery in many cases.

The Pan American Health Organisation recently sponsored a screening programme for intestinal parasites among school children. Two Caribbean Epidemiology Centre Laboratory specialists visited each school in the Territory and collected samples. Of the nineteen territories throughout the Caribbean and Latin America, the BVI's had the least parasitic infestation - less than 1%. Some islands on the other hand were as high as 70%.

The appalling conditions under which our aged and disabled for too long have lived at the Infirmary has stirred the conscience of Government and a decision has been made recently to renovate and update the unused premises built originally to house nursing staff with a view to converting it to an infirmary with expanded capacity. Fund sources have been identified and work on this sorely needed project will commence before the end of 1984.

Turning now to the economy in general, I am aware that there is some feeling that things are slowing down and must, therefore, hasten to allay your fears in this area. Since 1982, there has in fact been a gradual slowing down of tourism and its directly supportive activities. Needless to say, this slowdown originates in the International Economy, especially in the United States. However, in spite of this, local price levels have remained constant and the very good news is that Commercial Bank credit increased last year and reflected a shift from personal to property and construction loans. What does all this suggest? It suggests high expectations for the future of the economy, high expectations evidenced by the construction boom in commercial and residential buildings. With these large investments and the concomitant risk factor, you will understand my determination to exercise great restraint in government spending. This is necessary since we do not intend at this point to go the alternative route of increasing taxes. In keeping with this policy, therefore, I have had to take a few hard and sometimes unpopular decisions. Two of these pertain to that spanking new building known as the Fishing Terminal and the BVI Crafts project. An independent audit carried out on both these projects indicated that they are costing government thousands of dollars per year. To give you an example of close to \$60,000 being sunk into VINDEL annually, gross receipts, and I repeat gross receipts, are under \$20,000; the loss at the Fishing Terminal is several times greater. Ladies and gentlemen, I recognise that they are development projects and that some losses are envisaged in the early stages. But these are all our tax dollars and I would like as Minister of Finance to be certain, before sinking more hard earned dollars into these projects, that they will be viable, as commercial projects within a reasonable time.

Consequently, an adhoc committee of persons competent in commerce and accounting was appointed to advise government on these projects. Their report is dismal but I would

hasten, however, to assure our fishermen and craftsmen and women that these areas will always be given high priority, albeit in a realistic and practical fashion. In short, it is necessary to scale down these projects, but the sectors will continue to be serviced nevertheless.

I must touch briefly on labour, another of those issues which has been subjected to many negative comments. My colleague, the Minister for Natural Resources and Labour, I believe, "cleared the air" to a large extent on several matters during his broadcast some 2½ months ago. It is the policy of Government to improve the triangular employer-employee-Government relationship through the creation of smooth communication channels. Thus the Ministry went about this task early in the year by visiting establishments as well as maintaining dialogue with them. Data was gathered as far as possible to give the Labour Department a clear indication of our workforce and needs, especially at the time when we have a surge of high school graduates seeking employment. Needless to say, emphasis must be placed on the employment needs of our young people to ensure that they have a stake in the Territory's development and this remains the prime concern of the Ministry. Your Government's labour policy, therefore, continues to be one where qualified British Virgin Islanders would be given first consideration in any job situation and no one, whether employer or employee, can reasonably dispute such a policy.

All in all my fellow British Virgin Islanders, my Ministers and I have striven with varying degrees of success to deliver what we promised, which is in essence a better British Virgin Islands for British Virgin Islanders, and will continue to pursue a course in that direction.

Until next time, thanks for listening and good night.

CSO: 3298/094

FINANCE MINISTER COMMENTS ON DEVALUATION, CONTROLS, 1985

Santiago EL MERCURIO in Spanish 7 Oct 84 pp D-2, D-3

[Interview with Luis Escobar Cerda, minister of finance: "In the Midst of the Storm"; date and place not given]

[Text] [Question] How much public confidence do you think exists in the country?

[Answer] At this moment, there is a feeling of perplexity concerning the measures taken. Although everyone expected them, they did not expect them now or in such magnitude.

[Question] The customs increase was surprising. You had revealed that you advocated a low and even customs rate....

[Answer] I revealed that I advocated even customs. I always spoke of even customs but I never promised a low rate or to keep it low. I never, never said that I was not going to devalue. What I did say before is that it was not necessary to devalue at that time. For balance of payments reasons, I think we could have managed with the exchange rate until the end of the year.

[Question] Why did you devalue then? Did the IMF ask you to?

[Answer] No, no, no. When I went to the mountains on vacation in August, I took a mountain of papers with me and began to work on the budget for 1985 with the budget director, Luis Alberto Fuenzalida, and my cabinet chief, Uri Wainer. I reached the conclusion that the budget for the coming year was absolutely unmanageable unless we took some measures to balance it. The planned deficit for 1985 doubled this year's, 9 percent of the Gross Geographic Product.

The reasons for that deficit include "the automatic readjustability of pensions, the increase of the government contribution to the welfare system and the increase of government resources for investment, especially in public works and housing, to lower unemployment."

[Question] What alternatives were presented apart from the exchange and customs policy?

[Answer] We studied the creation of new government revenue. We made a long list of possible taxes, customs, rates, etc., but they did not yield much. The truth is that this country is overloaded with taxes....The other alternative was to cut public expenditures. We took the requests of the different ministers for 1985 and began to use scissors on them. We cut everything that could be cut and ended up with a lower budget practically than in 1984, in real terms, as to operating expenses. As to investment, there is a considerable increase to carry out all the Triennial Program. Therefore, the 1985 budget is larger than the 1984 budget.

[Question] Did you cut anything out of the defense budget?

[Answer] It remained practically the same as this year.

[Question] And the debt service?

[Answer] It also affects the budget and is getting worse because of the high interest rates. The Treasury must pay more than \$600 million next year for interest and amortization of its debt. The policy of readjustment of wages for the workers in the public sector that will begin in January and that will mainly help the lower-income workers also weighs on the budget. There are also higher expenses derived from the continuation and reinforcement of social programs that greatly interest the government: school breakfasts, kindergartens, milk, programs to absorb unemployment like the PEM [expansion unknown] and the POJH [expansion unknown].

[Question] Didn't you say they were going to disappear?

[Answer] They will have to disappear as the productive sector absorbs them. In the meantime, they are indispensable. A transfer has already started: this year 165,000 new jobs have been created.

[Question] Will you keep them at the present painful level of income?

[Answer] It is necessary to raise it.

[Question] How much?

[Answer] That has to be resolved by next year's wage policy. Depending on the availability of government resources, I advocate giving a substantial increase to the PEM and the POJH, hopefully higher than the increase in the cost of living.

Measures on the 17th

The minister was a little impatient with interruptions. He took off and put on his glasses and said he wanted to explain what happened, first, and then I could ask him anything I wanted. Then he talked about the loss due to the drop in the terms of exchange, "a tragedy, really drastic in Chile." He indicated that adding the \$2 billion per year that the country has to pay in interest alone on its foreign debt, "Chile is paying almost the total value of its debt every 4 years without amortizing even a peso."

"My problem was to make the needs of economic development compatible with real availability. Therefore, it was necessary to take measures that adjust the levels of domestic consumption and permit savings that lead to future national growth."

[Question] That is an elegant way of saying that it is necessary to tighten our belts again....

[Answer] Of course, because we did not manage to balance revenue and expenditures. We studied different alternatives and finally ended up at devaluation. We looked at different percentages and tried 23.6 percent which gives us 1 percent of the product (20 billion pesos more revenue for 1985) but that was not enough. Then we decided on the increase in customs rates which provides us twice the resources (40 billion pesos more) and the postponement of the tax reform in 1985 which means another 10 billion pesos. The three measures together partially cover the budget deficit, leaving a manageable percentage of finance.

Almost 30 percent of the government budget is allocated to the payment of pensions. Wages, subsidies, social programs and debt service--for the government debt alone--added to this total more than 80 percent.

I have seen some very intelligent comments--now everyone is an expert in this--that state that there were other alternatives. What are the other alternatives? That it is necessary to increase revenue by other means and lower expenditures more. We have studied /all/ [in boldface] the possibilities of increasing revenue, taxes that go from 80 to 2 billion pesos, new taxes, repeal of some tax breaks, higher rates, real estate taxes. There is hardly any place left to get more. I have thought about how to stimulate the repatriation of money. I also know there is underbilling and overbilling. That is something that concerns me and that we will eventually have to tackle.

Since there is restriction on the attraction of foreign savings, we would have to borrow in the domestic capital market. Given the level of resources that the Treasury needed, there would have been such pressure on available credit that there would have been practically no possibility for the private sector to obtain credit. Therefore, its expectations of growth would have been seriously affected and, consequently, the process of recovery under the private sector would have slowed down or stopped.

Redistribution

[Question] Assuming that Chile is a patient and you are its head doctor, in what condition did you find it in April?

[Answer] I think that the patient was quite sick. The diagnosis was of a country seriously in debt which means that it has to commit a very large portion of its resources to interest payments on its foreign debt. Chile owes more relatively than most countries. Out of our 20 billion in GNP, we allocate 2 billion to 2.3 billion--depending on the interest rate--to paying the debt interest. If the Chilean economy grows 5 percent, the GNP goes from 20 billion to 21 billion and all the growth has to be allocated to partially pay the interests. If

consumption is to be increased to improve the standard of living of the people, where does the money come from when 90 percent of the GNP is allocated to consumption and only 10 percent to investment? Investment would have to be cut....

[Question] Or redistributed.

[Answer] Of course, but the total for national consumption remains the same.

[Question] But it is not the same to eat two pieces of bread or none....

Until that exact moment, the minister had remained absolutely cold and distant. However, he then became enthusiastic, sat up and answered:

[Answer] I agree. That is exactly the point I want to get to. Since it is not possible to increase the volume of national consumption--because to increase consumption would mean allocating this increase of the GNP that is committed to the payment of interest on the foreign debt--the standard of living of all the people cannot improve under the present circumstances. It is impossible! Then the situation of the most underprivileged can only improve by worsening the situation of others through a policy of income redistribution. That is exactly what I propose. We will implement it through the wage policy. The people with low income will have a higher percentage of readjustments than those who receive higher incomes. The people who do not live on wages or salaries and who have variable income will have to adjust to modest levels of profit. Therefore, I viewed some totally unjustified increases that occurred after the announcement of the measures with great concern and some anguish.

[Question] You announced the measures and the next day went to the United States. The anguish remained here. You did not take any precautions to prevent unjustified increases, not even in state enterprises.

[Answer] Measures were not taken since in Chile there are no price controls....

On 19 September Minister Jarpa, Minister Collados and I made an appeal to the responsibility of the business sector.

[Question] And it turns out that SOQUIMICH [Chilean Chemical and Mining Association] which is a state enterprise raised its prices by customs plus a dollar the next day and ENAP [National Petroleum Enterprise]....

[Answer] Yes, there was a lack of coordination between the economic authority and the productive sector. Mea culpa.

[Question] And how is that damage going to be repaired? Are you going to fix prices or trust in the market?

[Answer] My personal position is that we must not return to price controls by the state. I was minister of economy during the time of price controls and I feel they are the devil. The enterprise technicians come to discuss prices with very honest and serious officials who are not technicians. It ends up that the state gives legal license to what private enterprise is going to do

anyway. I don't believe in price controls. However, the businessmen must have a policy of self-regulation and adapt to prudent levels of profit. If the businessman does not understand that, he is going to force the government to react! Minister Collados and I are champions at avoiding state arbitrariness and impeding price controls. If the time comes when it is obvious that they are reacting irresponsibly, I am going to take off the kid gloves and I am going to become a champion at pursuing the speculator.

[Question] But not fix prices?

[Answer] If it is a matter of fighting speculation, I think it is necessary to fight it with all means.

[Question] Does the government have the tools to do this?

[Answer] It would have. If it does not have them, it will create them! Of course. My hands would not hesitate to do it. I do not have the unlimited faith in the market that many have but it is necessary to give it the chance to operate. I don't think that all businessmen are acting poorly. The state enterprises now must have prior authorization from the minister of economy to raise their prices....If the businessmen do not have a moderate price policy, they will force the government to have a very strict monetary policy. If we do not have price controls, we have to use the tools that exist and one of those tools is the monetary policy.

[Question] It is already restrictive enough. You have decreased the money in recent months....

[Answer] And we are going to have to continue because it frustrates price increases. The problem lies in essential articles. The people can do without certain things but they have to buy bread.

Middle Class

[Question] Going back to the topic of redistribution, minister, the middle class in this country has already lost about 30 percent of its income. Now it has to continue worsening?

[Answer] Actually, available indicators indicate a decrease of almost 20 percent per capita or 10 percent of the real wages. Unfortunately, external circumstances demand an additional effort.

[Question] Aren't there some rich enough people in the country to support the weight of the redistribution?

[Answer] But the rich people in this country are bankrupt....Those who are not will have to contribute their share to the redistribution effort. I realize the problem of the Chilean upper middle class--which I belong to, after all. It is difficult but there is really no other alternative. What we must understand is that the country has no other choice. There is no alternative! Now it is very easy to be opposed and say: "What about the middle class? What

about the upper class?!" I am not a masochist or a sadist; one does what he can. I am convinced that anyone else in my place would do the same. Unity is necessary, solidarity that not only has a Christian base but also the conviction of the economist. We are in the midst of a storm which we will not get out of alone today or tomorrow. Either we all get out together or we sink together! And it will take at least 5 years!

[Question] Do you think the people are going to give up their umbrellas voluntarily?

[Answer] There is no choice. It is a matter of helping people find work.

The wage policy is going to favor the people with lower incomes and the policy of minimum employment will follow. From the economic and social point of view, the priorities are: first, those who have nothing, the unemployed; second, those who have a little, the people in the PEM and the POJH who have almost nothing; and third, those who earn very little. From there on up, I begin to worry a little less.

[Question] And the political cost of that?

[Answer] Of course, I know the people from there on up are going to protest because it is the upper middle class that will have to undergo an austerity policy for a long time as will people with higher incomes. This policy is structured to stimulate this redistribution process that has to take place in the coming years. I know there is discontent about the measures but, once the policy of readjustment begins to operate, that discontent will end. I also think the bonus that the president of the republic ordered constitutes an effective palliative to benefit the lower-income people. In 1985 the country is going to continue operating, we are going to have a manageable balance of payments and fiscal situation and the programs of housing, public works and minimum employment will continue. We are not going to have the anguish we would have had. If we had not taken these measures, we would have postponed this surgery, nothing more. We would have had to do it on 17 November or in December, under worse conditions.

[Question] Don't you think the patient is going to die during the operation?

[Answer] Countries do not die. Ours has strong potential to recover and grow. I am a realistic optimist.

[Question] Do you think the country will withstand this price increase with frozen wages?

[Answer] Wages will not be frozen. The president of the republic has made a quick decision on this. He has just announced a Secretariat of Social Welfare which will centralize all the social programs.

[Question] You say that countries do not die. What do you think about the fact that Chile, with Uganda and Sudan, is the sixth riskiest country in the world for investors, according to the ranking of EUROMONEY?

[Answer] That is because of the debt problem. When the foreign investor looks at Chile, he says that it is a risky country because it has a balance of payments that requires very strict handling for the near future. Therefore, we must try to attract private foreign investment, case by case.

Marriage to the IMF

[Question] You used to be executive director of the IMF. How do you feel now, practically controlled by the IMF?

[Answer] I am not controlled by the IMF. I share its general principles, its goals and objectives. The IMF advocates a policy of development with stability. At times the IMF officials--especially the youngest--give recommendations that are very good theoretically and that one agrees with in theory but that are difficult to apply in practice. It is the governor who has to evaluate the possibilities of implementing certain policies, see how far the rope can stretch. I have talked with De Larosiere, the general director of the IMF, and I have told him that we are not going to fight. We have to agree that we are married. This is a marriage, I told him.

[Question] And you cannot get divorced?

[Answer] No, I don't think we can get divorced. This is a marriage of convenience.

[Question] For both parties?

[Answer] For both parties.

[Question] But there is one party that sets all the conditions and subjugates and humiliates the other....

[Answer] I don't know if De Larosiere feels humiliated or subjugated; I don't. Actually, we have done things without even asking the IMF--the increase in customs rates, for example. I came and I did it; that's all.

[Question] And the IMF did not like it.

[Answer] No, but I did it anyway. When I explained to them the reasons for the increase to 35 percent, they understood.

[Question] But you probably told them that it is a temporary measure....

[Answer] No, customs at 35 percent will be as final or temporary as the economic circumstances of the country are. If manna falls from the sky tomorrow, we will eliminate them....I don't promise anything. I say: We are married and it is a marriage of convenience. Consequently, it will last a long time because it is the other marriages that end. Like any couple, we are going to have fights, discussions, but since we agree that we have to remain married, we will always find a solution. I say that the point of equilibrium so that the marriage does not end is that I share, in substance, the economic policy

objectives that the IMF advocates: economic growth with stability which implies a prudent handling of the fiscal situation, monetary situation, balance of payments, etc. However, you have to trust me and only me, not its officials, to see how far the rope can stretch. Because it is impossible to impose a policy that looks perfect on the blackboard when there are 12 million people who react to that policy.

In Chile the GNP fell 14 percent in 1982 and it fell almost 1 percent in 1983, 15 percent in 2 years. Meanwhile, the population increased about 3.5 percent. In other words, in these 2 years there was a drop in per-capita income of less than 20 percent. Yes, this is absolutely dreadful. It means that, as of 31 December 1983, we all had to lose 20 percent of our income compared to 31 December 1981 in real terms. Since there were people who did not lose the 20 percent--many people--it means that there were others who lost more than 20 percent.

New Adjustment

[Question] Minister, what relationship is there between the cost--for the Treasury--of 400 pesos per job for the low wages in the public sector and the removal of dollars that preceded the devaluation of the peso?

[Answer] I do not really understand the meaning of the comparison but let me tell you that all this came after. The only thing we have done, in the new debt rescheduling, was use the same plan and the same list from the previous rescheduling.

[Question] Why

[Answer] Because if the enterprises are not functioning, there is no production, no employment, no consumption. Many enterprises went bankrupt and those that did not remained in a weak situation with a massive debt. What can be done? One possibility is that they go bankrupt or are nationalized. Another alternative is to find a way to permit them to refinance their working capital. If the debt is in dollars, we have given them the opportunity to change it to pesos. There was a time--when the dollar was at 39 pesos--when they were encouraged to become indebted in dollars and suddenly there was devaluation.

[Question] In August you told this newspaper: "We already made the adjustment." What did you do on 17 September then?

[Answer] A new adjustment. I said that the recessive adjustment--that drop of 20 percent per capita--was already done. This adjustment now is to avoid having to make a new adjustment that implies a drop in the GNP.

[Question] Some think that 115 pesos per dollar is still not enough and you will have to continue with further minidevaluations....

[Answer] No, we are going to follow the same exchange policy, varying the price of the dollar month by month based on the increase in the cost of living.

[Question] You have not thought of changing the dollar standard?

[Answer] No.

"Debtors Club"

[Question] In October the IMF returns to Chile. What remains pending?

He laughed: "Remember, we are like a married couple. We still need a draft for 195 million of the 780 million obtained this year. The IMF has to come give its approval to the last quarter of the existing program. Then we will begin to discuss the 1985 program."

[Question] Is there hope for negotiating the years 1985, 1986 and 1987 together as you wanted?

[Answer] Yes.

[Question] According to your friend Efraim Friedmann, "the idea of the 'debtors club' has been prematurely buried." What do you think?

[Answer] I think it is necessary to continue forward with that idea. The industrialized countries have followed the strategy that suits them: to treat their debtors case by case. They settled the Mexican situation and are settling the Brazilian situation. In this way, they greatly weakened the possibility that the debtors will unite. However, the Mexican minister of finance told me that this does not mean a final or definitive solution but the beginning of a process. Now the possibility of a debtors club--in the sense that the debtors unite to negotiate as one with the creditors--is impossible. However, I believe that Cartagena first and then Mar del Plata have had a very important impact....In the Development Committee--where I represent the countries of the southern cone--we agreed to have a meeting to discuss the problem of the foreign debt between the creditor countries and the debtor countries next April. That committee consists of 20 ministers of finance who represent the international community of governments of debtor countries and creditor countries. Of course, it does not have the characteristics of a club. Unfortunately, in April the negotiation of the Chilean foreign debt will already be done but we are going to review the situation from here on.

I think that the entire process of renegotiation is unsatisfactory. With the passing of time, this has worsened--in deeds if not in rhetoric. I would like to program expirations at longer terms--4 or more years--with longer periods of grace because the process of reallocation of resources toward export and replacement of imports, essential to permit regular service of the foreign debt in the future, requires time and major reductions in the current interest rates. If they remain with the shorter term, the countries of Latin America cannot continue meeting their commitments with the banks on time.

[Question] Do you think the industrial countries should aid the debtor countries?

[Answer] Of course, it should be that way. The participation of the governments of the creditor countries is needed even though most of the debt is private. I know some governments resist intervening in the way that seems so obviously necessary, arguing that it is not the government's job to rescue the private creditor banks from their problems. In my opinion, it is necessary not only to save the banks but the international monetary financial system.

[Question] Why not throw out more rope with international banking?

[Answer] Because we have a limited negotiating ability.

[Question] Therefore, it was necessary to unite with other countries.

[Answer] Exactly.

[Question] But the Chilean Government did not want to do that either....

[Answer] That was before. We have held an aggressive enough position in Cartagena and at Mar del Plata. Minister Collados and I held an aggressive enough position in Miami and Washington.

[Question] What real strength do we have, minister?

[Answer] Little.

[Question] If Latin America said simply that it will not pay if the conditions are not changed, what would happen?

[Answer] Ah, but no one is in that position. Unfortunately, the old saying that the one who has the money calls the tune continues to be valid. Those who have the money are the creditors and the debtors have to seek payment formulas....Therefore, I have said several times that this is too important a problem to be handled only by ministers of finance. It is a political problem that should be conducted at the highest political level. It should be discussed by the presidents of the republics with their ministers of finance as advisers.

[Question] If you could set one condition for Chile, what would you ask for?

[Answer] Instead of asking for loans to pay the debt, that we be permitted to allocate a percentage of the income from exports for the foreign debt service--for example, 25 percent that today would mean allocating \$1 billion per year.

For 1985

[Question] To go on, minister, would you say that the patient is improving?

[Answer] Yes.

[Question] But, minister, we have heard the same thing for so long: that the recession was over, that the revitalization had already begun....

[Answer] But we have had a sensational recovery in 1984 after two consecutive years of a drop in the GNP.

[Question] About 6 percent in the first half and a drop in the second half.

[Answer] No, we hope there will not be a drop in the second half. I think that we are going to maintain the situation achieved in the first 6 months during this half. In any case, we have always promised 4 percent annual growth of the GNP. I say it is going to be higher than that. In other words, the results of economic management in 1984 are very satisfactory.

[Question] Very satisfactory, minister?

[Answer] I understand that it seems almost absurd to say that they are very satisfactory and...look where we are! The 1984 program, agreed on with the IMF, was made on the assumption of a copper price of 75 cents per pound and an interest rate of 9.5 percent. It turns out that copper is at 57 cents--the average will be 61 or 62 cents--and the relevant interest rate for Chile is 13 percent, without considering the spread. The impact of the difference between these assumptions and reality means lower revenue for Chile, close to \$1 billion over a period of 12 months. However, we are going to achieve the goals established. Doesn't that seem sensational?

[Question] Let us see how it goes in 1985. Are you going to hope that international interest rates go down and copper prices go up?

[Answer] In 1985, even with the copper price as it is and with the current interest rates, we will advance thanks to the measures taken.

[Question] The growth achieved came during the Caceres administration....

[Answer] Well, I give all the credit to Caceres. He gives me the same. I do not have a problem with blame or merits. The fact is that this year has gone better for us than last year. We are growing constantly; sales and industrial production have risen spectacularly. We have had a drop in unemployment plus PEM and POJH--from 30 percent to 24 percent which is still awful but 20 is better than 30! It is necessary to continue on this road. We are going to have a situation of stability in order to begin to grow. In general, with the devaluation there is a drop--the /jota/ [in boldface] effect. However, the downward trend of 1982 and 1983 has been reversed. It is necessary to understand this. There will be no miracles here. Manna is not going to fall from the sky.

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CSO: 3348/40

UDI PROPOSES SPECIFIC COMPROMISES TO ACHIEVE CONSENSUS

Santiago EL MERCURIO in Spanish 7 Oct 84 p C-3

[Text] The national leader of the UDI [Independent Democratic Union], Jaime Guzman, made an appeal yesterday to the democratic opposition and the government to adopt five basic commitments each as a framework for the "minimum consensus" which the president of the republic and the archbishop of Santiago urged recently.

Guzman's appeal was made during a luncheon held in the Club Audax Italiano celebrating the first anniversary of the UDI. It was attended by more than 1,200 women, rural, student, professional and youth leaders of that political organization.

After diagnosing the current political and social situation of the country resulting from the international economic crisis, the high interest rates and the low prices for our raw materials, Guzman urged the opposition to adopt five basic commitments "without which it would be virtually impossible for the FFAA [Armed Forces] and the forces of order or we civilians who have supported the basic lines of the government to understand each other, given the conditions for that minimum consensus."

Opposition

Its commitments are:

Recognition of the Constitution and the existing institutionality;

Respect for the current presidential term based on the constitutional term;

Guarantee of unlimited respect for the prestige of the FFAA and the forces of order once that period is over;

Nonlegalization of the Communist Party and other groups that carry out active proselytization for Marxism-Leninism or any other totalitarian doctrine and abandonment of current joint political actions with them such as the so-called "protests" even when these are presented using the euphemism of "social mobilizations"; and

Support for the existing constitutional guarantees on the right to property.

Government

He indicated that the UDI feels that the government must facilitate this minimum consensus by accepting and implementing five basic measures:

Promote the constitutional term for the functioning of the National Congress with all its constitutional faculties, generating that transitional parliament through a form of popular verdict that facilitates the needed consensus instead of stimulating a climate of belligerence and resentment;

Make the parliamentary mechanisms and quorum flexible in order to amend the Constitution, requiring qualified percentages but not as high as those established today. He said: "This seems to be the just counterpart to requiring that the democratic opposition recognize the Constitution and adhere to a system it disagrees with. It would be easier to amend if there were a clear majority for its ideas, with the reservations indicated above";

Solve the problem of exile quickly and globally since prolongation in its current form and circumstances lacks justification and meaning;

Commit itself from now on not to apply transitory Article 24 of the Constitution, at least as to its power to expel people from the country, without affecting the integral restudy of that legal precept in the constitutional reform which an initiative like this would require; and

Dictate and immediately apply the statutes that establish university government in its most qualified academies, expressly excluding student cogovernment.

Guzman added that the government should adopt these measures even if the democratic opposition refuses to take the steps that pertain to it. He added that it is also necessary to propose and promulgate political laws.

He indicated that the democratic opposition should make a good effort to achieve this minimum consensus "to keep the economic crisis from being used with revolutionary objectives that tend to polarize positions." He made an appeal to "strengthen the ties that bind all the democratic movements that recognize and respect the existing institutionality," offering "the loyal and sincere participation of the UDI."

Then he indicated that the UDI has the bases "for a new and great party for Chile," based "on humanistic, Christian and libertarian principles" and projected "as a firm alternative to the communist or socialist left." He said: "We will never feel a complex that being anti-anything is negative. In politics and in mathematics, to negate the negation gives a positive answer. Our anticommunism and antisocialism are the fruit of a firm positive conviction in the dignity of man, in the ideal of a free society and in the defense of the moral integrity of Chile. Because communism denies all these values and socialism at least curtails daily freedoms with its statism, we negate these negations."

Finally, he paid homage to the "most eminent public man in this century, Jorge Alessandri Rodriguez," and quoted the former president of the republic: He "is going to serve public life and not seek honors, much less benefits."

Later the national leader, Sergio Fernandez, took the floor. He referred to the communist problem, indicating that the UDI is not afraid to define itself as "anticommunist." He added: "We will never make pacts with them." He also stated: "We advocate private property." He added: "It does not matter to us if people are rich; what does matter to us is that there are no poor people."

Others who paid homage to the first year of the UDI during the luncheon included: Alicia Contador, women's leader; Ruben Carvacho, rural leader; Henan Briones, academic leader; and Sergio Valencia, the representative of the provincial delegations.

7717

CS0: 3348/40

FRANCE TO EXHIBIT PILLAN PLANE; FIVE NATIONS SAID INTERESTED

Santiago EL MERCURIO in Spanish 7 Oct 84 p C-7

[Text] The T-35 Pillan airplane manufactured in Chile by ENAER [National Aeronautics Enterprise] will be taken to the Le Bourget Air Fair in France, according to Air Force Col Arthur Clark Flores, general manager of that industry.

The airplane has just been exhibited at the international exposition in Farnborough, Great Britain, one of the most important aeronautical expositions in the world.

This top officer of the FACH [Chilean Air Force] who is returning from London revealed that he is satisfied with the results achieved. He stated that the event "was good for commercial contacts with actual and potential buyers."

He did not mention the countries, five in all, with which formal talks were initiated in Farnborough although he indicated that the interested nations are from South America, Africa, the Middle East and even Europe, the continent where the main airplane manufacturers other than the United States are located. Representatives and technical personnel will soon come to Santiago to technically evaluate the airplane.

He said that, during the demonstrations held at 1350 hours each day, its capabilities as primary trainer of pilots, its maneuverability and adaptation to every type of acrobatics were verified. He also stated that the experts' attention had focused on the inverted flights when its aerodynamic conditions were highlighted.

He explained that the positive reception toward ENAER and the Pillan airplane--conceived of by the commander in chief of the Air Force and a member of the Government Junta, Air Force Gen Fernando Matthei Aubel--was emphasized by the official invitation to bring the airplane to Le Bourget, Paris, in the first half of 1985.

Colonel Clark recalled that, 7 months after the founding of ENAER (21 March 1984), there are signed contracts to manufacture 80 airplanes for the Air Force --to be used for basic training for cadets at the Aviation School--and 40 more for CASA [Aeronautics Consortium, S.A.] of Spain. He stated that the value per unit is at least \$300,000.

He said that the interest aroused abroad by the single engine plane manufactured at installations of the El Bosque Air Base encourages an "aggressive marketing position. We are new in the specialized international market but we are coming out solidly and very positively based on the acceptance of the product at an event attended by the most distinguished powers of aeronautical and space technology."

7717

CSO: 3348/40

ECONOMIST GROUP PROPOSES ALTERNATIVE PROGRAM

Santiago EL MERCURIO in Spanish 11 Oct 84 p B-2

[Text] "The present economic policy is not, as the authorities have reiterated, the only one possible for Chile," said the economist, Juan Eduardo Herrera, director of the Economic Workshop of the Vector Research Center, who presented the details of an alternative economic program prepared by this group.

The study is called "An Alternative for Economic Recovery" and besides Herrera, Armando Arancibia, Enrique Errazuriz, Eugenio Lahera and Gonzalo D. Martner collaborated on it.

As the representatives declared, the main principles of the alternative economic plan are a new renegotiation of the foreign debt and a strong stimulus of domestic demand through a policy of increasing wages for the lowest paid groups.

The study states that "it is necessary to state clearly and definitely that Chile cannot continue with the debt service under the present conditions." Aside from this, it adds, "the fact is that the road to pauperization does not lead to paying the debt either and the banks themselves and the creditor countries must finally realize that. The only opportunity for Chile to actually pay its foreign debt is an immediate renegotiation of its terms and conditions."

In this respect the Vector Economics Workshop proposes unconditionally rejecting the state's guarantee of the private foreign debt, except regarding foreign trade credits. It recommends immediate renegotiation of the foreign debt, with a view to obtaining a "reduction of interest rates to a level of 3 percent real interest annually and a period of grace of 10 years for amortizations."

According to the economists, "this change of debt conditions would release about US \$ 1 billion annually, which would

eliminate the present foreign strangulation which is paralyzing our economy." In this same vein, it proposes a thorough investigation of the mechanisms and channels for large economic organizations contracting foreign credits. The document declares that, according to foreign publications, the amount of deposits abroad is about US \$ 8 billion.

They likewise suggest a practical management of the foreign sector, which would envisage tariffs ranging between 20 and 60 percent and a rate of actual exchange compatible with the necessary development of exports.

Domestic Demand

The economists indicated that "the Chilean economy would not succeed in recovering from its depression without a substantial revival of the domestic market which encourages and stimulates production, improves the profit margin of national enterprises and entrepreneurs and is important as an incentive to investment and increased production on the level of each manufacturing or business company."

In this view, the program envisages increasing the wages of PEM [Minimum Employment Program] and POJH [Heads of Household Program] to an average of 8,000 pesos a month and the incorporation of these workers in the social security system. Other measures proposed are a readjustment of the minimum wage to 8,000 pesos a month, immediate readjustment of wages for the public sector by 10 percent; increase of the monthly family allotment by 500 pesos per dependent and restoration of 100 percent of the rise in prices as the compulsory floor in all collective bargaining negotiations.

It is recommended increasing the financial deficit temporarily to 8 percent of the gross national product to cover the increased expenses which this series of measures would entail. Another source of revenue would be an increase of income and property taxes by 2.5 percent of the gross national product. It indicated that with this increase, it would only amount to returning to the same actual level where the income and property taxes were in 1970.

According to the plan, the proposed measures would cost a total of 102.4 billion pesos.

8490

CSO: 3348/57

CRUZAT LIQUIDATION COMMISSION HEAD COMMENTS ON PROSPECTS

Santiago EL MERCURIO in Spanish 14 Oct 84 p B-1

[Interview with Gustavo Montero Saavedra, new chairman of the Administrative and Liquidation Commission of the Cruzat Group: "The Goal Is To Get the Cruzat Group To Pay All Its Debt"; date and place of interview not given]

[Text] With great confidence in the work of the economic team and his associates, civil engineer Gustavo Montero Saavedra (37 yearsold), the new chairman of the Administrative and Liquidation Commission of the Cruzat Group, is not afraid of his present responsibilities. With 14 years in his profession, he has filled positions in the most varied areas of production, including construction, industry, mining and also business. Deputy Chairman of the Committee of General Contractors of the Chilean Chamber of Construction in 1981, he has been its chairman since 1982, filling this post with that of coordinator in the preparation of the 1984-1986 Three-Year Plan.

In a conversation with ECONOMIA Y NEGOCIOS in the first press interview he has granted since his appointment, Montero analyzed in detail the work he will do on the Commission he heads.

[Question] How does a young engineer feel directing one of the largest economic groups in the country?

[Answer] I feel the weight of responsibility, but at the same time the energy of confidence. This is a great professional challenge in which fortunately one is not alone. The members of the Administrative and Liquidation Commission are persons of great ability and experience with a definite desire to protect the country's interests. Besides the operating enterprises have boards of directors which are the best in the different production areas.

And since the question has a personal note, I can tell you that the direct knowledge of production operations in the industrial,

mining and business area during my 14 years as a professional allows me to handle this position with a background which gives me a certain confidence.

[Question] How much do you think the assets of the Cruzat group are worth?

[Answer] It is difficult to definitely state the value of the group's assets. In any case, according to the last consolidated report audited by Price Waterhouse, the verifiable assets amount to approximately 270 billion pesos. This amount includes the share of third party stockholders in the group's enterprises. Obviously in case of an immediate liquidation, the cash values can be very different, in view of the variety of factors which influence them.

[Question] What do you think are the causes of the conditions which are now affecting the Cruzat group's enterprises?

[Answer] The productive enterprises in the group are in full operation. The majority of them have renegotiated their debts and in some it will even be possible now to develop expansion projects. Regarding the investment enterprises and the general situation which affected this conglomerate more than a year ago, I would say that the main causes could be in the burden of the financial cost which they had to face, a result of accelerated growth based on indebtedness. The substantial international recession, which did not spare our country, also affected this conglomerate.

[Question] Why was the option of payment in kind rejected?

[Answer] Payment in kind can be a forgiveness or an expropriation. In fact, if the assets are turned over for the total amount of the debt and sale of the latter is not enough to pay, in this case the balance of the debt is liquidated. Through renunciation of assets without liquidation of balances, if the liquidation of assets is not sufficient to pay the debts, the balances of the debts are not liquidated, but continue being a responsibility of the debtor.

Renunciation of Assets Is Complete

[Question] Why was there not a complete renunciation of assets?

[Answer] The renunciation of assets is complete. The assets are being placed entirely at the disposal of the liquidation commission. The fact that the commission refrained from administering the Santa Carolina group, does not mean that Santa Carolina is

outside of this agreement for renunciation of assets. In fact, the enterprises which the commission refrains from administering are obliged to comply with a strict and compulsory payment plan which in case of nonfulfillment requires complete renunciation, with it also being possible to sell these enterprises immediately.

But at any rate, I think that the most important enterprises of the group such as COPEC [Chilean Oil Company], CCU and their respective holdings, besides those with considerable social significance such as PROVIDA insurance and communications companies remain under the commission's control. As for the others, I do not believe that one can try to use them improperly. I think and I believe that I am very confident doing it so, that both Manuel Cruzat as well as his associates will not have any other purpose in managing them, except a businesslike profitability to pay each installment due expeditiously and under the best conditions possible.

[Question] What were the reasons which led to setting a figure of 91.5 percent and 8.5 percent? Could it not have been different?

[Answer] The figures of 8.53 percent of the assets and that of 91.5 percent are those resulting from determining the percentage which belongs to the enterprises of each one of the areas with respect to the total.

The enterprises which the commission refrains from administering are involved in production areas in which the group is experienced and I believe it is important to take advantage of this experience, but if you make a detailed analysis you will realize that there is no really important financial or holding company which has remained, although it is administered by the owners of the group.

Debts

[Question] Persons of the Cruzat group declare that the amount of 78 billion pesos in debt of the "holding" companies is inflated, since if the loans between the paper companies themselves are deducted, the latter would amount to no more than \$ 40 billion pesos in a consolidated figure. What do you believe is the correct figure?

[Answer] If the liabilities of the investment companies are added to those of the banks of Santiago and the National Securities Agency of supplement No 2 of the agreement, you get a total

of 55.807 billion pesos. The difference between the \$ 78 billion pesos mentioned corresponds mainly to debts with companies connected with the conglomerate. It is for this reason that the 78 billion pesos is an unconsolidated figure which was used for methodological reasons for distributing assets and liabilities between the two administrative areas.

[Question] With what standards is the commission going to work?

[Answer] The commission will work with a technical standard, considering the economic and social repercussions which each one of the decisions which are made can have. For this purpose, the agreement in its supplement No 2 specifies technical standards for the management of enterprises.

[Question] Why was Manuel Cruzat included among the commissions members?

[Answer] Manuel Cruzat is the person who knows this conglomerate best and on beginning its liquidations and so that this process of administration and liquidation might work well, it was considered important that he participate without intermediaries, but directly where the decisions are made. On the other hand, he should be the one most interested in the debts being paid.

[Question] What are Manuel Cruzat's rights as a member of this commission?

[Answer] As a member of this commission, Manuel Cruzat has a right to speak and vote among five people, besides the right of veto when it involves the sale of the portfolios of the Bank of Santiago and the National Securities Agency to another private financial institution.

[Question] On what basis do you intend to appoint directors, arbitrators, receivers and others?

[Answer] Regarding directors, whom it may be necessary or advisable to appoint, replacing some who were appointed by the group, the standard will be to seek individuals of great experience and talent in each one of the productive sectors and who besides have an irreproachable professional background and are not compromised with other groups or sectors. The arbitrators are indicated in the agreement and it is still not necessary to think about the referees.

[Question] How do you believe it is going to be possible to pay the installments? What percentages will it be possible to pay with the enterprises' profits and how much will be required to liquidate assets?

[Answer] As it was stated, the amortization of the installments will be done with the proceeds from the revenue of the enterprises to the extent possible. As the latter may be insufficient, the rest will be covered with the sale of stocks and enterprises. It is important to point out here that in proceeding with the liquidation of the enterprises, the idea is to maintain them as production units, while proceeding to get bids on their stocks.

[Question] How will it be possible to decide what enterprises it will be most profitable to sell and at what time?

[Answer] Economic and market studies will be made to determine what enterprises it is most advisable to sell.

[Question] What do you think the situation of the Cruzat group will be in 1994?

[Answer] I am not fond of forecasts.

[Question] Is there any special clause about who could be the potential buyers of the enterprises in the Cruzat group?

[Answer] There are no special restrictions in this respect in the agreement?

[Question] What is your opinion about the activity of Pedro Ibanez, your predecessor on this committee?

[Answer] I have a high opinion of Pedro Ibanez' administration. If it had not been for him, the studies which that committee ordered, the reports which they drew up, this agreement would not have been possible. On becoming acquainted with the information which the previous committee left, you appreciate the decisive spirit with which they undertook the study of the conglomerate, determining the relationship between enterprises and the consequences which taking different alternative solutions could have. They acted with a clear sense of public service, considering in each one of their decisions, the interests of the creditor banks and through them the national interest.

COLOMBIA

SEVERE RAINS PROMPT 'STATE OF EMERGENCY'

PA031717 Madrid EFE in Spanish 0538 GMT 3 Nov 84

[Text] Bogota, 3 Nov (EFE)--The Colombian Government declared a "state of emergency" today throughout Colombian territory after severe rainfall in which at least 29 persons have died, 1 million have been left homeless, and more than 100,000 hectares have been flooded. The National Emergency Council which met today in Bogota after visiting the various regions of the country in the past few hours, decided to declare a state of emergency in view of the heavy rainfall that has affected two-thirds of Colombian territory, blocking highways and creating victims.

The hardest hit regions are in the southwestern part in the departments of Cauca, Valle and Huila; in Caldas in the central region; and in Antioquia and Cordoba in the northeast, according to a spokesman for the National Emergency Council.

The organization termed the situation "grave," because the rains will "not begin to let up until December," according to a warning by the "Institute of Hydrology and Meteorology" (HIMAT).

A report submitted by Brigadier General Guillermo de la Cruz Amaya, director of "Colombian Civil Defense," indicated that the severe weather has caused 23 deaths and left 1 million homeless.

Both de La Cruz and the Civil Defense Force, as well as firemen, police, and army corps and voluntary brigades are trying to evacuate and relocate thousands of homeless families in flooded townships.

Also, the material damage caused by landslides on highways, homes washed away, and crop damages are incalculable, according to the National Emergency Council.

CSO: 3348/107

BRIEFS

EDUCATIONAL AGREEMENT WITH FRG--Colombia and the FRG have signed an educational agreement under which the latter agrees, during the next 3 years, to grant scholarships for graduate studies to 50 Colombian professionals in technological areas deemed indispensable to the country's development. [Excerpt] [Bogota EL SIGLO in Spanish 25 Oct 84 p 2 PA]

GOLD DISCOVERY--Scientists of the Geological-Mining Research Institute, Ingeominas, have discovered a gold deposit, whose potential is estimated at \$2 billion, in Cauca and Valle Departments. Ingeominas Director Alfonso Lopez Reina made the announcement and said this is a great discovery for the country which will place it among the top world producers. [Summary] [Bogota EL TIEMPO in Spanish 20 Oct 84 pp 1-a, 9-a PA]

OIL RESERVES--The proven oil reserves at the Cravo Norte fields, Arauca Territory, have climbed to over 500 million barrels. The reserves may go up to 1 billion barrels by the end of the year. [Summary] [Bogota EL SIGLO in Spanish 16 Oct 84 p 1 PA]

INCREASE IN EXPORTS--According to reports from the National Administrative Department of Statistics, exports increased by 20.8 percent during the first half of 1984 compared with the same period last year. Exports increased from \$1,444,000,000 FOB to \$1,744,000,000 FOB. During the same period, imports decreased from \$2,305,000,000 FOB to \$2,027,000,000 FOB, that is a 12.1-percent drop. As a result, the country's trade balance, although still negative, registered a slight recovery. [Summary] [Bogota EL SIGLO in Spanish 24 Oct 84 p 10 PA]

COLOMBIANS ARREST SALVADORANS, CUBANS--Bogota, 30 Oct (AFP)--A group of 28 Salvadorans and Cubans have been arrested by Colombian immigration officials on the Caribbean Island of San Andres after illegally entering the country, according to a report issued here today. The foreigners arrived in a U.S.-registered aircraft that was on a flight between the Bahamas Islands and San Jose, Costa Rica. According to the passengers, the aircraft had to land on the Colombian island due to mechanical problems. Immigration officials are studying the statements given by the aircraft's crew, and announced that the 28 individuals must remain in Colombian territory at least 48 hours, until the situation is clarified. [Text] [Paris AFP in Spanish 2213 GMT 30 Oct 84]

LIBERALS, CONSERVATIVES DISAGREE ON REFORMS--Bogota--The Liberal Party [PL] legislators withdrew from the plenary session of the Chamber of Representatives causing a confrontation with the Conservative Party that stems from an increase in the differences between the two parties in the discussion of political reforms. Led by Armando Rico Avendano, a member of the PL Central Political Commission, the Liberals left the Oval Room when the approval of a bill to administratively reform the intendances and commissariats was thwarted. The incident occurred moments after a PL central commission statement was read at the Chamber of Representatives blaming the Conservatives for hindering the process for legal and constitutional reforms sponsored by the government and suggested by the Liberals. The Liberal representatives were surprised that at the end of a vote on the bill--88 votes for and 15 against--Conservative Daniel Mazuera, president of the Chamber of Representatives, said he suspected that an irregularity had been committed and asked for verification of the quorum. The Liberal spokesmen said that the Conservatives do not question the quorum when it is a government bill or one that is in their interests, but that they are very righteous when they do not want to pass a bill that is not in their interest. [Text] [Bogota Emisoras Caracol Network in Spanish 1215 GMT 31 Oct 84]

CSO: 3348/107

CEMA COOPERATION IN NUCLEAR PROJECTS REVIEWED

Sofia ECONOMIC NEWS OF BULGARIA in English Jun 84 pp 1, 3

[Article by Svetlin Stanev]

[Text]

Following the adoption of a Complex Programme on further deepening and perfecting socialist economic integration, the CMEA (Comecon) countries have embarked on ever closer cooperation in nuclear power generation. On the basis of Soviet experience nuclear energy has been harnessed for peaceful purposes also in the smaller socialist states. Long years of exploitation of nuclear power plants in the USSR have borne out the advantages of building them, especially in countries like Bulgaria.

Fully aware of the shortfall in its own energy sources in view of the economic expansion prospects for the years ahead, in 1969 the Bulgarian government took some decisions of key importance for the power generation industry. It was namely decided to launch the construction of nuclear-power plants on a wide scale; meanwhile further integration with the socialist countries, above all with the USSR, would help develop the raw-material and energy base and improve the structure of Bulgarian fuel-energy balance.

The construction of the first "nuke" in the Balkan peninsula started in 1970 near Kozlodouj on the Danube. Its first stage provided for two reactors to come on stream with an overall power of 880 Megawatts. Working at full capacity they can produce 21 million kWh of electric energy in 24 hours. Soon after the first two reactors came into operation in 1974 and 1975, the Kozlodouj station reached 7000 hours of full rated-power use annually, and emerged as Europe's leading plant

on this indicator.

When the third and fourth reactors came on stream in 1980 and 1982, Kozlodouj's overall power reached 1760 Megawatts, whereby our country emerged as the third nuclear-generation country in the CMEA, after the USSR and the GDR. In the years to come nuclear generated power in the European CMEA countries will continue to rise at an accelerated pace; as a result the overall power of "nukes" in those countries is expected to grow substantially. During the 80s one of the youngest socialist countries of CMEA, Cuba, will get a nuclear power station. Cuban experts will undergo training in Bulgaria at a power plant of a similar type near Kozlodouj. Under a contract between Bulgaria and Cuba, Bulgarian experts will provide assistance in the first years of exploitation of the Cuban 'nuke' near Cienfuegos.

The further development of nuclear power generation in our country is currently going through a new stage of substance: for the first time a socialist country other than USSR has started building a

1000 MW reactor which will generate more than 6000 million kWh a year. The same power is planned for the next, sixth Kozlodou reactor, as well as for the four reactors of the second Bulgarian nuclear power plant — Belene.

In order to solve the numerous problems related to the use of nuclear energy peaceful purposes, Bulgaria and the other CMEA member-countries embarked on ever broader multilateral cooperation in that field. Significantly, they have been pooling efforts in the research and development work of the United Dubna Institute for Nuclear Studies, founded in 1956. As a result of the participation of eleven socialist countries in its work, the Institute has achieved considerable scientific progress and substantial economies have been realised over the past years from the sharing of expenses, the utilisation of a unified experimental base of unique instruments and equipment, and from the avoidance of duplicating research programmes.

In 1960 the 13th CMEA Session decided to set up a Permanent Commission on the peaceful use of nuclear energy; delegations from Bulgaria, Hungary, the GDR, Poland, Romania, the USSR and Czechoslovakia have been taking an active part in it, and Cuba joined in in 1972. This Commission is extremely useful to the promotion of multi- and bi-lateral cooperation in the field of nuclear power generation, nuclear instrument making, radiation safety, etc. On its decision, an international economic corporation was set up in 1972 to manufacture and distribute various nuclear instruments. It was named INTERATOM-INSTRUMENT and its seat is in Warsaw. The founding countries were Bulgaria, Hungary, the GDR, Poland, the USSR and Czechoslovakia. Since 1975 there have been subsidiaries of INTERATOM-INSTRUMENT: in Bulgaria (Pleven), in Poland (Zeliona Gura), and the USSR (Dubna), which have considerably activated its performance.

Towards the end of 1973, the

CMEA socialist countries and Yugoslavia signed a contract to set up another international economic corporation — INTERATOM ENEGRO — based in Moscow; its purpose is to organise the co-ordinated production of equipment, its delivery to the respective countries, the lending of assistance in designing, building and exploiting nuclear power plants; as well as to train the necessary staff and personnel.

At the 33rd CMEA session held in 1979 in Moscow, the government leaders of Bulgaria, Hungary, Poland, Romania, the USSR, Czechoslovakia as well as Yugoslavia signed an Agreement on multilateral industrial cooperation and specialisation and mutual supplies of equipment for "nukes" between 1983 and 1990. The Agreement is the largest in the CMEA and some 50 industrial corporations from the eight socialist countries are taking part. It devotes special attention to securing the top quality of equipment produced, to guarantee the separate technoeconomic indicators, the responsibility of the manufacturing countries for quality standards, the terms of delivery, etc. For the coordination of teamwork and the realisation of the Agreement, a special intergovernmental commission was set up to resolve the tasks referred to it by making use of the possibilities of the international economic corporations of INTERATOMENERGO and INTERATOMINSTRUMENT.

Further progress in closer cooperation among the CMEA socialist countries certainly opens the way for the smaller countries like Bulgaria to solve a number of problems related to the fuller provision of power for the economy and ensuring better chances for accelerated economic progress. The results obtained so far from teamwork in this sphere show beyond doubt that as things stand at present, only joint efforts can successfully and quickly solve the most complex problems on the way of expanding nuclear power generation in the socialist countries.

RADIO MARTI SAID TO FURTHER 'POISON' BILATERAL RELATIONS

Havana PRISMA, latin american focus in English Sep 84 pp 22-23

[Article by Martin Hachtoun and Noll Scott]

[Text]

▼ Soon after becoming president of the United States, Ronald Reagan assured the world that communism would one day be "consigned to the trashcan of history". It is interesting to look back and see how much progress has been made in this direction, especially here in what he likes to call "America's backyard".

But first, what does he mean by communism, what does he mean by history, and above all, what does he mean by trashcan?

In El Salvador, obviously the communists are the defenceless workers and peasants whose mutilated bodies are left festering by the roadside each night. The word trashcan can be taken fairly literally.

In Grenada on the other hand, the island's leaders had already pressed the self-destruct button on their people's revolution. Fidel Castro's epitaph was: the United States "murdered a corpse and revived a symbol".

In Nicaragua, all protestations of pluralist democracy are cast aside as the US again perceives "communism" and tries to turn it rotten, hoping others may do the dirty work of throwing it into the trashcan of history.

Yet regarding Cuba, the one country in the region that openly professes communism, the Reagan administration, despite more than three years of sabre-rattling, has not yet even managed to deliver its election promise of a medium-wave radio station to "tell Cubans the truth about their island". Is it possible that this project has itself been "consigned to the trashcan of history"?

The answer may not be long in coming, for after two earlier false starts, the US government has now promised that the notorious *Radio Martí* will finally come on the air this September. Its tim-

ing could not be more blatantly geared to Reagan's re-election programme.

► SANTA FE DOCUMENT

The origins of the station date back to Reagan's 1980 presidential campaign when Roger Fontaine of the Georgetown Centre on Strategic and International Affairs (later to become Undersecretary for Inter-American Affairs) was appointed to draft the Santa Fe Document, a major plank in Reagan's campaign platform.

Under Fontaine's leadership the Santa Fe Committee—involving such right wing luminaries as Jeanne Kirkpatrick, today the US ambassador to the United Nations—decided to include proposals for a "legal transmitter" directed specifically towards Cuba.

The word "legal" was far from accidental. Ever since the 1959 Cuban revolution a plethora of pirate stations has operated on the 41 metre shortwave band under names such as *Voice of Independent Democratic Cuba*, *Christian Voice of Cuba*, *Progressive Youth of Cuba*, *Voice of Alpha 66* (a Los Angeles-based group of anti-Cuban terrorists), *Radio Cuba Libre*, *WOBA Cubanísima*, and the most recent *Voz del Cid* beaming from the Dominican Republic.

The only Spanish language transmissions with a significant audience are not targeted exclusively at Cuba. They come from the US government's own *Voice of America* (VOA) which has heavily discredited itself over the years by its weakness for obvious lies.

There are two significant points about *Radio Martí* as the proposed new outfit came to be called. The first is its name: José Martí is the island's national hero who died fighting the Spaniards in 1895. It is like beaming propaganda into Nicaragua under the name of Augusto César

Sandino, into Vietnam under the name of Ho Chi Minh, or even —a reprisal the Cubans themselves toyed with— into the United States under the name of Abraham Lincoln.

Just as aggressively, *Radio Marti* is to be a medium wave station using brand-new transmitters now installed on Key Saddlebench 90 miles from Havana. Unlike shortwave, which is mainly used by enthusiasts and the military to pick up long-range signals, medium wave is the bread and butter of the radio business, used by 800 commercial stations in the US alone. The decision to use its frequencies for "foreign policy" purposes immediately alarmed the powerful US radio-owners, who felt their interests directly threatened.

"If direct transmissions were made from the United States to Cuba, we reserved the right to make direct transmissions to the United States... The aim would not be to interfere (with US domestic stations, although) it could be that some station might suffer interference," Cuban president Fidel Castro told US journalists recently in Havana.

"We have been prepared to discuss the question of interferences; but what has blocked a solution to this problem is precisely the proposal to establish this radio station. This radio station has been announced many times, for different dates, but still it has not come on the air. You ask what we are going to do, and I say there's no hurry, there's no reason to cross the bridge before you get to the river."

Despite the US radio owners' trepidation that the already crowded medium waveband could become even more chaotic as a result of the Reagan administration's actions, the White House pressed on regardless and on January 19, 1982 appointed a special presidential committee for the *Radio Marti* project with 11 members led by F Clifton White, a long-standing rightwinger who was Barry Goldwater's 1964 presidential campaign manager.

His Deputy was Richard B Stone, Florida senator and later Reagan's roving ambassador to Central America. Committee secretary was Jorge Luis Mas, a prominent Cuban exile and chairman of the Miami engineering firm *Church and Tower*.

The other members were all business leaders and Republican right wingers, including Richard Scaife, a multimillionaire newspaper magnate who became owner in 1975 of the now-discredited CIA-backed *Forum World Features* news agency; Joseph "Moral Majority" Coors, co-founder with Scaife of a strategic research centre called the *Heritage Foundation* and a member of Reagan's kitchen

cabinet; and Charles Wick, head of the government's *Information Agency (USIA)* whose empire includes the VOA itself.

▷ DOUBTS IN CONGRESS

With such enemies, who needs friends? Cuba does, for one, and the East Coast establishment of the *New York Times*, *Wall Street Journal* and *Washington Post* condemned the project as provocative nonsense. However the White House, undeterred by the liberal "pinkos", duly presented Congress with a request for US\$10 million to build the transmitter in Key Saddlebench and to improve other existing VOA facilities in the Caribbean.

It looked for some time as if *Radio Marti* might not survive a bumpy passage through Congress and its numerous committees. There were a handful who argued that the new station would be an interference in the internal affairs of another country. But it was mainly the radio lobby that succeeded in baulking the project. "Keep politics off the medium waveband," they cried.

And so it remained until September last year when South Korean airliner KAL 007 was shot down over the Soviet Far East while on a CIA spy mission. Within a week legislation miraculously passed through both houses of Congress allocating US\$14 million for 1984 and US\$11 million for 1985. *Radio Marti* seemed to be home and dry.

However by this time it had been determined that *Radio Marti* should belong within rather than outside the tainted umbrella of the VOA. In the same bill Congress also granted US\$54.8 million to modernise existing VOA facilities, to be matched by the same sum in 1985. The campaign for *Radio Marti* was crucial in winning this extra funding for the VOA. But now the original project was beginning to seem small beer in comparison.

It faced, moreover, severe editorial problems. If it was going to tell Cubans the "truth about their island" then where was that "truth" going to come from? There are no US reporters in Cuba and the CIA network has been so thoroughly shattered that it could not possibly provide the appropriate "dirt". Yet credibility within Cuba, sufficient at least to cast doubt on the government's version of events, was absolutely central to the whole scheme.

President Reagan was too busy playing to the gallery of Hispanic voters to worry about such trifles. In a bizarre address to "the people of Cuba" on January 28 this year, the 131st anniversary of José Martí's birth, he pompously announced

that the radio would start broadcasts "in the Spring". Spring came and went, but *Radio Marti* still did not appear.

Despite *Radio Marti*'s prolonged silence, however, the VOA has strengthened the power and range of its broadcasts in the Caribbean basin by leaps and bounds during Reagan's presidency, including the installation of relay transmitters in the British colonies of Turks and Caicos, just north of Cuba, and the Cayman Islands, just to the south.

In September 1981 a US magazine, *World Broadcast News*, reported that a further VOA transmitter had been installed on another British colony, Antigua (which became independent in November 1981). This turned out to be a highly directional broadcasting post bearing straight at Grenada.


The man responsible for US government communications in the eastern Caribbean, Ashley Wills, also first secretary at the US embassy in Barbados, was off board the *Guam* aircraft carrier last October as the US invaded Grenada, to witness the denouement to his ideological "softening up" efforts of the previous months, to which Britain had rendered such sterling assistance.

During virtually the whole of Reagan's presidency, the *Radio Marti* project has acted mainly as a vehicle for expanding

US propaganda broadcasting throughout the region as a whole. An apparently anti-Cuban and anticommunist campaign has thus worked chiefly as an agent of US hegemony over third countries.

The fact that *Radio Marti* is now scheduled to appear —finally— at the height of the presidential election campaign, highlights the other major target of the project: for from seeking to win the "hearts and minds" of Cubans Reagan is aiming opportunistically for votes among the Hispanic communities of right-wing Latin exiles.

If *Radio Marti* does indeed emerge, it can be guaranteed a large and attentive audience for the first few days but no one seriously fears it will win Reaganism any Cuban converts. The most serious consequence will be the accelerated trade in charge and countercharge across the Florida Straits, further poisoning the bitter atmosphere between the two neighbours.

It would be wrong to suppose that because Cuba has so far been spared this malicious and insulting presence the project will never materialise. Like the long-expected US invasion of Central America it remains as much on the cards as ever. And while Washington's internal political tussle ebbs and flows, the logistic build-up goes remorselessly on. 

PROGRAM FOR LAW, IDEOLOGY SYMPOSIUM OUTLINED

Havana GRANMA in Spanish 20 Sep 84 pp 1, 3

[Article by Jose Gabriel Guma: "The First Scientific Symposium on Politics and Ideology in its Relationship With Law Begins"]

[Text] A critical appraisal of the bourgeois legal system that prevailed in the pseudorepublic, and an analysis of the new revolutionary law, a prime example of which is the Cuban socialist state, will be included in the debates that more than a dozen topics will inspire at the First Scientific Symposium on Politics and Ideology as They Relate to Law, scheduled to hold its formal opening ceremony at 0900 hours today at the Convention Hall in the city of Havana.

The extensive group of selected papers will be discussed at the important event which was called by the National Union of Cuban Lawyers and the Ministry of Justice. The event will be attended by hundreds of Cuban lawyers and scores of guests from the Soviet Union, the United States, Bulgaria, France, Venezuela, the GDR, Costa Rica, Canada, Mexico, Japan, Peru, Nicaragua, Poland, Panama and other countries.

The symposium was organized to mark the 31st anniversary of Fidel's historic allegation "History Will Absolve Me" that began on 21 September 1953 in Santiago de Cuba. The event responds to the program of measures in fulfillment of the 1984 economic and social objectives as well as the objectives of the 8th Plenum of the Party Central Committee for the political and ideological development of the lawyers.

The scientific meeting's 3 days of sessions will facilitate a review of the revolution's achievements and the juridical standards that regulated it, as well as of the wealth of experiences that will contribute to the subsequent advancement of the Cuban juridical system.

The topics to be examined concern "Socialist Legality in the Construction of the New Society" (Dr Julio Fernandez), "The Exercise of Socialist Democracy" (Attorneys Francisco Perez, Euripides Valdes and Francisco Garcia), "The Party as the Leading and Guiding Force of Society and the State" (Attorney Segundo Doimeadios) and "Basic Rights, Duties and Guarantees"

(Dr Oriol Mederos and Attorneys Dolores Peralta, Consuelo Angurell, Milagro Artiles, Marylu Nunez, Caridad Valdes, Salvador Montero, Maria Elena Paez and Gildardo Estrada).

The agenda also includes a discussion of "Penal Law in Cuba" (Dr Renen Quiros and Attorneys Silvio Medina and Marihelena Alberto Acosta), "The Treatment of Minors with Behavior Problems" (Attorneys Osvaldo Castanedo and Julio Cazon), "International Law and its Role in International Relations" (Drs Olga Mirada and Ernesto Guerrero), "The Right to Property under Socialism" (Drs Adelardo Martin and Deney Rodriguez and Attorneys Nora Esther Penton, Rebeca Rodriguez and Consuelo Oti), and "Juridical-Economic Relations" (Dr Lazaro Jimenez).

Also to be discussed will be "The Role of Labor Legislation in the Current Stage of our Society" (Attorney Elia Santiago), "Law and the Protection of the Family in the New Society" (Drs Abelardo Rodriguez, Raul Gomez Treto and Guido Petriccioni and Attorneys Jose Garces and Julio Fernandez), "Legal Counselling of State Agencies, Organs and Enterprises" (Attorney Pablo Prendes) and "The Role of Law in the Development of Socialist Awareness" (Attorney Marcia Diego).

Among the score of guests from other countries whose participation has been confirmed in the symposium are Joe Norman, chairman of the International Association of Democratic Lawyers; M. Marshenkov, dean of the Lomonosov University Law School, Moscow; Elias Carranza, director of the Latin American Institute of the United Nations for the Prevention of Crime and for the Treatment of Criminals; and Minouru Shikita of the United Nations Center for the Prevention of Crime and the Treatment of Criminals.

The event will also be attended by Deborah Jackson, secretary of the American Association of Lawyers of the United States; Barbara Dudley, chairperson of the National Lawyers' Guild of the United States; Venezuelan professors Rosa del Olmo, Jose Martinez Rincones, Francisco Burgos Pinol and Lolita Aniyar de Castro; Noel Saint Pierre, chairman of the Lawyers Union of Quebec, Canada; Vice Ministers of Justice Alba Luz Ramos of Nicaragua and Tadeus Skora of Poland; and Jorge Calvo, outgoing and incoming chairmen, respectively, of the Panamanian Bar Association.

12674

CSO: 3248/39

JOB TRAINING FOR DROPOUTS BEGINS IN SANCTI SPIRITUS

Sancti Spiritus ESCAMBRAY in Spanish 5 Sep 84 p 1

[Article by Oria de la Cruz: "Children who Neither Study nor Work Begin Their Work Life"]

[Text] The committee concerned with 13- to 16-year-old children who neither attend school nor work in the Sancti Spiritus municipality, in coordination with the labor office and the officer responsible for minors in the Interior Ministry, has begun their enrollment in training courses held at enterprises in the region.

The plan, now entering its implementation phase, responds to Resolution no 1649 of the State Committee for Labor and Social Security, the purpose of which is to train adolescents who, for various reasons, have dropped out from the national school system or the workforce. The work training will be provided by instructors at the work centers.

The training is now available through the municipal labor office. It consists of courses to enable the adolescents to become carpenters, potters, masons, automotive painters, installation and automotive electricians and sheet-metal workers.

The courses run for 9 months and consist of two parts: the theoretical and the practical. During the first few months of the training the children will receive an allowance of 93 pesos, an amount which will be increased when the practical part begins. This reveals the fact that in addition to the great concern of the state that the trainees learn a useful occupation for themselves and society, they will also earn money and will be assured of a steady job upon completion of the training.

In those cases in which the trainee is still under the minimum working age when he has completed the course and cannot enter the work force, the labor office will make the necessary arrangements to obtain the authorization.

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CSO: 3248/39

PRESIDENTIAL CANDIDATES DERATE KEY ISSUES

Guatemala City PRENSA LIBRE in Spanish 7 Oct 84 pp 6,7,37

[Interview with presidential candidates Vinicio Cerezo, Jorge Carpio Nicolle, Mario Sandoval Alarcon, Alejandro Maldonado Aguirre and Jorge Serrano Elias by the Chamber of Free Enterprise; date and place not given]

[Text] The presentation of the five presidential candidates at the forum organized by the Chamber of Free Enterprise constituted the first event in which the candidates for the presidency of the nation have participated.

In the second part of the program all of them answered questions posed by the organizing agency. In their answers the candidates demonstrated their ability to address or avoid issues and to speak coherently or not. The reader will draw his own conclusions:

Chamber of Free Enterprise [CFE]: What specific actions would your government take to strengthen an independent, honest and efficient judicial institution?

Jorge Carpio [JC]: We need an independent legislative institution, through a nominating committee, just as the Electoral Tribunal was elected. This committee would submit to Congress the names of the most important jurists in Guatemala and there would be an indirect election for judges and magistrates in Congress.

Moreover, we need an independent budget so that we don't have to resort to money that might be given to the government, private funds for operating and to try to improve judges' income. Mayors and judges should not fall into the same category; we must have economic independence, screening, a judicial career for judges. There is a lack of training. Penal and preventive detention centers as well as elimination of the indictment.

Mario Sandoval [MS]: For the election of the Supreme Court in Congress on the basis of lists of candidates sent by the Bar Association and the country's universities, we propose that private funds be created to guarantee economic independence and that the lesser positions be authorized on the basis of competitive exams.

Also, the creation of a criminal investigation department and a court of inspection, also elected from among candidates suggested by the same institutions, and lastly [the establishment of] a judicial career which will make it possible to pay judges decent salaries.

Vinicio Cerezo [VC]: We will do two things: see to it that controls over the chief executive are guaranteed in the Constitution; second, comply with a standard of mutual respect, accept the rules and see to it that all of us contribute to the functioning of a state based on laws in which there is room for all of us.

There must be justice for all, without exception. But also, a Congress that makes laws for all. The problem is effectiveness as a whole, since a democratic system operates only in terms of consensus, this being understood as the maximum degree of agreement we can have within a state of disagreement. We must create public awareness of the fact that people must accept the application of the law and fight corruption.

Jorge Serrano [JS]: The Judicial Branch must be the great commission that sees to it that laws protecting individuals are respected, without having to create additional commissions. The spirit of the law is that the Judicial Branch must be independent, but in practice the chief executive has used disregard, bribery and threats to influence the actions of the Judicial Branch.

If we politicians do not pledge to put an end to these three vices, the institution will not be clean, regardless of what the laws or the Constituent Assembly say. We must pledge that everyone will obey the laws, regardless of what position a person may occupy and, lastly, threats to judges and lawyers must be eliminated. In 1 year 82 of them were murdered. No judicial system can operate in that way. Those who dispense justice must be protected and we must see to it that the Attorney General's Office really acts.

Alejandro Maldonado [AM]: It is not hard to find corrective measures and incorporate them into the Constitution, but we must get on to the real issue: You can't run a system of "alegality" that is not the same as illegality. The latter can be repaired by means of controls; the former can only be combatted with determination and decision, as happened on 7 March 1982 and 23 March 1982, which put an end to the alegal regime.

CFE: What do you think of agrarian reform?

JS: Many people think that agrarian reform is indiscriminate distribution with financing and technical assistance. I don't agree. In Guatemala there are production units on the south coast that should be retained and small farms on the plateau that are more and more impoverishing families. Eighty-eight percent of the landowners own 17 percent of the land.

Cultural differences do not permit us to establish a single model of rural development. We must realize that we need greater productivity in the farm sector, a rural development plan and more cooperative organizing, incorporating more land into areas of cultivation and production. And finally, serious policies in education, health and labor.

VC: The aspiration of the man who farms the land to be a landowner is a legitimate one, just as is that of the man who works for a farm and wants to be the owner. Therefore, we ought to guarantee him [a chance to achieve this], but not as a sort of nationalization or expropriation, rather through integral rural development, which the country's needs can best determine.

Three problems must be resolved: a) increase and diversification of exports; b) elimination of unemployment and its accompanying problems; c) resolution of the food problem, which involves resolving the productivity problem. It is not a matter of taking away land and reassigning it because the time will come when there is not enough to go round. It is a matter of loans, credit assistance and increase in productivity and attention to the social and economic conditions of rural inhabitants.

AM: Agrarian reform is not the same as agrarian revolution. The latter has political objectives that are motivated by the landholding structure, rural poverty, a breakdown in the distribution of profits and political and social instability. Agrarian reform has always been associated with an army.

We should have in mind a kind of middle-class democrat oriented toward productivity, capitalization, technology transfer and communal organization of small farms. But it is important for land to produce a profit, although it may be simply for the worker, and that is why we must aim for an agrarian reform that tends to raise the peasant's standard of living.

JC: That is an obsolete view. It failed in El Salvador because it was initiated with the turn of the century in mind. We ought to talk of agrarian transformation. The solution to the problem is not independent of development. There is industry and commerce, in which a peasant can work but in which, without credit, technical training and education, marketing and stable prices, he will never be successful.

The solutions are joint ventures, small farm associations. Those who govern ought to conduct this process since they are the substance of the country's structure. Without an efficient administration we will never get Guatemala to progress. We must work to stimulate production on large and small farms.

MS: We have a bad memory of agrarian reform. Its application was the cause of deaths. There will have to be a change of agrarian structure, but while preserving unrestricted respect for private property and the liberty of individuals. The farm sector has problems: low productivity, minifarms, lack of technical assistance. The farm sector is our most important activity; it supplies the population with food and provides more employment than all the others.

We propose that state-owned land be granted in fee, that taxes on farm equipment be eliminated, that a basic infrastructure of service roads and irrigation projects be created and of programs to educate and to develop the farm industry, which is the country's economic salvation.

CFE: What relations would there be between your government and the Army?

AM: The laws will determine the formal relations. The real nature of the Army's role in the life of the society should be examined as we examine other institutions: the university, the press, churches. It must be seen in the light of evolution. We recognize the ideological and political factors. From way back Marxism has been a fight against not only the army, but against the society. The technique of the prolonged struggle is a war of attrition against the state and the society. The first objects of attack are economic.

We must have direct, close communication with the Army to work with a joint plan for national defense, an indispensable prerequisite for social development, and stability. Without this there are no bases for economic development. Many factors intervene: international, ethical, ideological, and it is our grave responsibility to politically deal with the subversion and attrition of the society. The Army is a reality which cannot be ignored. That would be getting off on the wrong foot in the conduct of a government.

JS: Two basic kinds of relations: a) Real independence, this is achieved through the given interests of power groups. The Army is one of these. This is necessary in any country. We must analyze groups like trade unions, the press, universities, the private sector, etc. as power groups. The only way to govern a country is to have the skill to reconcile the interests of the different power groups, to get them involved in a political plan.

There is no such thing as independence for a ruler in a society. Whoever believes that there is is on the way to becoming a despot. We must consider all interests. A legitimately established government with popular support and which takes the right administrative actions has no reason to fear poor relations with the Army. It may have good relations with it, provided there is legitimacy and popular support. In my government the Army would be professional, well trained and equipped, since the fortress of our institutions -- universities, trade unions, etc. -- must be strong. So we need a strong Army.

MS: The Army was founded to defend our sovereignty, peace and integrity. We cannot blame the whole Army because some evil-minded military may have thought that the goal of any military career is the presidency. While we are talking here, there are men in the mountains who are hungry, cold and frightened, killing and dying to preserve Guatemala's freedom.

The Army has been fighting without interruption for 22 years, since 13 November 1962, and it has been doing so alone, without aid, since 1977. We are an example for the world, since the Army has succeeded in saving the country from communist aggression. My relations with that institution which must be considered in all government decisions are cordial. But it will have to carry out its duties as an independent, obedient and nondeliberative organization, although that will depend on the president's degree of determination, strength and ability to wear the pants.

VC: My relations with the Army would be excellent because I am convinced that its officers know their duties and that in a democratic government they will

dedicate themselves to seeing to it that the democratic process is preserved and continues to develop. We know that we will need time to achieve economic development, perhaps several presidents, which involves security and order with an Army that provides a guarantee for this.

I know that the Army will respect the decisions of the president, who will be the military commander in chief. That is why there would be good relations. Peace lies in making ourselves strong, in protecting the country. We would have autonomy if the above assertion is carried out through interdependent relations, because we would make the political decisions and they [the Army] would guarantee their implementation as regards the majority of the population.

JC: There is a joint plan for democratization between the Army and the civilian society. A democratic society is organized in a pluralist, functionalist way and each institution has a role to play. The Army's is to take care of problems of internal security and thus involving each institution, like the press, the church, etc.

If this interrelation exists, I do not see why there should be any conflict between the Army and the chief executive. A joint operation is necessary: Both of us, civilians and the military, want constitutional law and order, since the country is not as safe as it once was, so that we may walk hand in hand and be able to combat subversion if there is an internal conflict.

CEB: What steps would you take to counteract subversive aggression?

MS: I do not claim to defend the Somozas, but I predicted that the fall of Nicaragua would cause a total crisis in Central America. Nicaragua's shameless intervention in El Salvador with men and equipment and in Guatemala has given rise to instability in the area and will continue to do so.

We have succeeded in partially controlling the war that broke out on the plateau in 1978. In El Salvador a legitimate government with reforms imposed on it by the United States has not put a stop to aggression. We propose measures like our plan for civil self-defense patrols, implemented by Rios Montt, that have played an important role in controlling our security.

We must avoid the arms traffic and persons from our neighboring countries, especially Mexico, which has granted Guatemalan guerrillas asylum, sanctuary and shelter. We must support international security measures, the U.S. military policy in the area and promote socioeconomic development.

JC: The destiny of Central America is the establishment of democratic regimes. The fall of Somoza threw the system out of joint since, shortly after the fall of the dynastic dictatorship, the military dictatorships of El Salvador, Honduras and Guatemala fell.

We are on the right course. Nicaragua is a difficult danger, but we hope that Contadura or something else will enable them to solve the problem in 1 or 2 years.

It is hard for a Marxist enclave to be able to survive for many years in the area. We must realize that the conditions for subversion were created in Central America: the limitations imposed on large segments of the population, the discrimination, the injustice. Today the Indians will have to occupy a political place in the country's institutional life. Pluralism and decentralization will be the most effective antidote for putting an end to subversion.

If there is a chance that many different parties participate in Guatemala, we will weaken the power of subversion, which will no longer be a threat to the democratic state we are beginning to mold.

JS: We must know our adversary. Subversion will gain a foothold if we let it reach the people. If we offer the people security and work, they will be with us and then it will be impossible for subversion to operate. The biggest domestic efforts must be in the domains of security and development, which will generate confidence among the people, a basic factor in being able to combat subversion.

In international terms we must say that we continue to help one another. The government does not inform us of the steps it has taken for negotiations. We have to negotiate with our faces to the sun. Contadura has not achieved much, but I believe that we Central Americans can come to an understanding if we have clearcut proposals and decide to negotiate politically.

AM: We must have a logical clearcut approach to the factors underlying subversion. If there is restlessness, discontent, despair, real exploitation, there is always the possibility that subversion may find passive, and then active, support among the population.

It was not economic and social factors that precipitated the crisis on the Isthmus [of Panama], but political factors: abuse, misuse of power, the dynastic nature of the Somozas and a lack of real respect for the people to a point at which private initiative joined the rebellion. We must hope that that will not happen here. If the previous government had not taken at least 800 million quetzales through subversion, we could have quelled the guerrillas without firing a single shot, with well-aimed political, economic and social measures alone.

We must attack the factors underlying subversion, supporting the Army so that it can carry out its function, backing legitimate and just governments and breaking with our isolation from the world, coexisting with nations in a civilized manner.

VC: Somoza did not fall because he was booted out, but because of his insistence on wanting to remain in power against the will of an entire people, because he continued to make those errors that made many people oppose him with arms, or backed those who made them. This is a crucial lesson. We could wind up falling into a similar situation that would lead to emphasis on a military solution, to the Lebanonization of conflicts, that is, no solution, rather only destruction.

Fortunately, we are going through a process in which a solution can be found through nonviolent means. We must not be afraid to confront problems in their social and economic roots. If there is lack of concord, repression, lack of work, a concentration of opportunities in only one sector, there will be a military solution in which no one wins, in which it makes no difference since we will all lose.

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CSO: 3248/47

PSUM CC WITHDRAWS SANCTIONS AGAINST STIPEND WITHHOLDERS

Resignations Not Accepted

Mexico City ASI ES in Spanish No 120, 28 Sep 84 p 2

[Article by Eduardo del Castillo]

[Text] The Central Committee of the Unified Socialist Party of Mexico held its Eighth Plenum in Mexico City on 8 and 9 September. The Unified Socialists worked on the following agenda: 1. Reading of the minutes of the previous session; 2. Implementation of the resolutions of the National Conference on Organization; 3. Resolution of the National Conference on the deputies who do not hand in their stipends; 4. The resignation of four members of the Political Commission; 5. The political situation and the immediate tasks of the PSUM (this item was not discussed).

After the plenum passed the first item unanimously, it took up the second, beginning with a reading of the draft resolution submitted by the Political Commission to the Central Committee. It is entitled "The National Conference on Organization: A Decisive Boost to the Construction of the PSUM."

The draft states that the PSUM intends to extend its influence in national politics, to broaden its relations with the workers and with Mexican society and to turn the socialist alternative into an agenda for the masses. It adds that the Central Committee regards the positions, guidelines and tasks approved by the conference as the main tools for building the PSUM up and will coordinate them with the general guidelines and objectives approved by the national leadership at its Third Plenum in 1984.

The two main tasks proposed by the document are the National Campaign for Party Organization and Growth and the formation or consolidation of state leadership groups. Twelve speakers requested the floor on this point, and each of them spoke for 10 minutes.

The remarks on item two underscored the need to spur the party's growth in each of the country's municipalities and to earmark funds and manpower to this end. Another point that was stressed was that the party can

expand only through the political struggle and that its rank-and-file must join in the tasks of building the party. It was suggested that officials from different regions exchange experiences and that membership drives be aimed at the industrial working class without neglecting the peasants and the urban poor, though some claimed that growth is determined by the sectors that are present in the various states.

Twenty-nine members of the Central Committee signed up to speak on the third item on the agenda, the stipends withheld by four federal deputies. The Central Committee had devoted at least 20 hours of discussion to this problem over the past 5 plenums, showing the utmost political determination to get the lawmakers to amend their ways and, at the same time, to improve internal relations and channel party efforts towards the external political struggle through the collaboration of all PSUM members.

As we know, the National Conference on Organization called on the Political Commission to remove the four lawmakers from the Parliamentary Group. The party's top leadership body felt, however, that the bylaws did not empower it to take such action and thus transferred debate and resolution of the issue to the plenum of the Central Committee.

The Political Commission submitted a document to the plenum vigorously censuring the conduct of the deputies who kept some or all of their stipends but opposing their suspension. Instead, it suggested further attempts to persuade them and thus fully reaffirm the political resolutions that all of the PSUM's members and representatives have endorsed.

The debate resolved some of the disagreements between speakers (some proposed expulsion, and others wanted the case closed without further ado), as both Florentino Jaimes and Pedro Bonilla provided a way to resolve the problems that they prompted. In the first case, the Central Committee's plenum agreed to pay Florentino a 180,000 a month salary; the vote was 30 for, 15 opposed and 6 abstentions. As for Bonilla, who has been in ill health for more than a year, the plenary session agreed that his case had always been considered in a better light and resolved to call on his alternate to strengthen the party's efforts in the legislature. A Central Committee commission will be in charge of paving the way for these two deputies to pay their debts to the party and seeing to it that talks resume to resolve the two pending cases: Edmundo Jardon and Daniel Angel Sanchez Perez.

Lastly, the Central Committee decided not to accept the resignations that four members of the Political Commission (Rolando Cordera, Arturo Whaley, Adolfo Sanchez Rebolledo and Pablo Pascal Moncayo) had submitted. Their resignations were prompted by the decision of the National Conference on Organization to call on the Political Commission to suspend the four deputies who kept party stipends from the PSUM's Parliamentary Group; there are no longer any grounds for the resignations, however, now that the deputies' problems with the party have been partly taken care of and that an effort is being made to resolve the pending cases.

Sanctions Described as Harmful

Mexico City ASI ES in Spanish No 120 28 Sep 84 p 13

[Apparent text of "resolution" of the Unified Socialist Party of Mexico Eighth Central Committee Plenum, issued 9 Sep]

[Text] 1. On 18 August, after it had approved the general resolution and the report submitted by the Political Commission of the Central Committee, the National Conference on Organization took up a draft resolution on the "statutory duties" of the PSUM's representatives of the people in which "it publicly condemns federal deputies Daniel Angel Sanchez Perez, Edmundo Jardon Arzate, Florentino Jaimes and Pedro Bonilla, who have arbitrarily kept in their possession the stipends and the proxies that under our bylaws belong solely to the Unified Socialist Party of Mexico..."

The draft contained two points of resolutions addressed to the Central Committee and to its Political Commission; they were voted on separately.

"First: That at its next plenum the Central Committee pass a resolution heeding the demands of the overwhelming majority of the party as expressed clearly in the resolutions of the state conferences on organization, under Articles 52, 72 and 77 of the bylaws." This first point was passed unanimously.

"Second: That pursuant to Article 74 of the bylaws, which clearly stipulates that the Parliamentary Group will at all times act under direct orders from the Political Commission of the Central Committee, the commission resolve to immediately remove from the PSUM's Parliamentary Group federal deputies Daniel Angel Sanchez Perez, Pedro Bonilla, Florentino Jaimes and Edmundo Jardon Arzate. This resolution shall be in force as long as the deputies retain their stipends and fail to surrender their proxies to the party." This second point was passed, after tense debate, by a vote of 86 to 64.

2. The conference's resolution must be viewed from two angles. It is, first of all, a reflection of the prevailing attitude of most party members towards the conduct of four deputies who have violated Article 52 of our bylaws, which state that "the salaries, per diem allowances and supplementary income of all party members who occupy popularly elected posts...are part of the party's funds," and who have ignored the Central Committee's exhortations, resolutions and direct efforts through which the PSUM's national leadership has strived to convince them that they must comply with the bylaws and pursue a course of political conduct towards the party and in the eyes of public opinion that is consistent with our internal standards.

Secondly, the conference's resolution must be examined in the light of our party's bylaws. Thus, the conference took up an issue for which it had not been convoked and which does not fall within its

functions. Article 22 of the bylaws states that the Central Committee can convoke national conferences or deliberative meetings on specific aspects of national or party life. "A call for a meeting," the article in question clearly stipulates, "must precisely state its purpose and scope as well as its composition, and these points cannot be amended or exceeded."

Moreover, the resolution adopted as point two embodies a decision that the Political Commission is not empowered to make. The commission exerts political control over the Parliamentary Group and can in no way alter its structure or makeup. Only the Central Committee in the case of three of the deputies and the Michoacan State Committee in the case of the other can remove the aforementioned deputies from the Parliamentary Group.

3. The Central Committee calls the attention of party members to the need to use our bylaws "as the collective instrument that establishes equality among members, prevents arbitrary actions and blocks former groups or others that might emerge from imposing their will on the party as a whole, the Central Committee or rank-and-file and intermediate organizations," as the national organization meeting itself properly determined.

The Political Commission acted properly in resolving to transfer the resolution to the Central Committee. It is in this committee that the party has strived to resolve the problem and that it must be settled, in accordance with our regulations and the political principles that gave rise to the Unified Socialist Party of Mexico.

4. In indicating the infractions that the national conference committed by passing the above resolution, the party's Central Committee in no way rejects the concern that the conference expressed about the conduct of the four deputies. Quite to the contrary.

The leadership body elected by the Second Congress considers that:

--Deputies Daniel Angel Sanchez Perez, Edmundo Jardon Arzate, Florentino Jaimes and Pedro Bonilla have seriously violated the commitment that all members of the PSUM made when we formed the party and approved its bylaws.

--By spending the stipends that they received as PSUM deputies, these representatives have withheld money that the party alone, through its organizations, should manage.

--Daniel Angel Sanchez Perez, Edmundo Jardon Arzate, Florentino Jaimes and Pedro Bonilla violated the political pact between the party's elected representatives and the party that nominated them, promoted and paid for their campaigns, defended their vote count, gave them their campaign platform and spurred their participation in the National Congress.

5. The Central Committee did everything it could to help these PSUM deputies to change their minds. From the moment that these serious irregularities came to light, it tried to find a political solution to the problem; called on the deputies to speak with the committee; named a commission to deal with them; took into account proposals to boost the income of deputies; and established new arrangements and considerations such as previous earnings (before being elected), extra pay for living in Mexico City, moving expenses, office expenses, etc.

The Central Committee took up the issue at five plenary sessions, striving to come up with a suitable solution that would maintain the proper political relationship and insure respect for party regulations. It made several decisions that, while not entirely satisfactory, would have settled the problem without further incident. The four deputies, however, introduced amendments that nullified the commitments they had made.

In making these efforts, the national leadership bears in mind that "we are in the initial stage of building our party, and the stands and resolutions adopted when it was founded have not yet been fully consolidated" (General Resolution of the Conference on Organization). It is a time when great efforts are being made to correct errors and even dangerous actions that threaten the party. We must strive to persuade rather than to punish, even if we have to run risks such as those that we have faced with the deputies in question. We are also at a complicated political juncture that demands our utmost responsibility and effort to prevent splits in the party and a loss of the enthusiasm that our unification generated.

We are not renouncing sanctions; every revolutionary party is obliged to defend its integrity and to show a determination to suspend and even to expel those who harm it, attack it and ignore its decisions. We do not, however, regard sanctions as a first resort, as the primary means of resolving problems.

On the basis of these considerations, the Central Committee must resolve the problem before it. We agree with the unanimous resolution of the National Conference on Organization, which the members of the Central Committee voted for, to the effect that "at its next plenum the Central Committee pass a resolution heeding the demands of the overwhelming majority of the party."

After responsible debate, the national leadership elected by the Second Congress of the PSUM feels that the appropriate action in this case is not to apply sanctions, inasmuch as they would be detrimental to the party and would not, in fact, resolve the central problem, which is to convince the deputies of the validity of our bylaws.

The Eighth Plenum laid the groundwork for resolving the cases of Florentino Jaimes and Pedro Bonilla.

The Central Committee has decided to make this resolution public, including the description of their conduct in point 4, namely, that the four deputies in question have seriously violated the PSUM's bylaws, have withheld stipends that belong to the party and have violated the pact that enabled them to serve as representatives of our organization in the Chamber of Deputies.

This decision represents a defense of the party, of its revolutionary agenda and of its view of how its representatives in government bodies should behave.

At the same time, however, it is part of our effort to have those who violated the principles of political coexistence in our party, rectify their conduct and once again abide by the regulations that we have adopted for the common revolutionary struggle.

For Democracy and Socialism

Mexico City, 9 September 1984

The Central Committee of the Unified Socialist Party of Mexico

8743

CSO: 3248/54

NICARAGUA

ENERGY MINISTER ON CONSUMPTION, SAVINGS, PROJECTS

Managua EL NUEVO DIARIO in Spanish 24 Sep 84 p 12

[Article by Teresa Rios: "More steps toward independence in oil"]

[Text] Nicaragua achieved savings in excess of 800,000 barrels of petroleum per year, equivalent to \$22.4 million, through the diversification of energy generation.

Energy Minister Emilio Rapaccioli announced that the average monthly energy output is 90 million kwh, of which 30 percent are generated through thermoelectric power plants and the remaining 70 percent come from geothermal and hydroelectric sources and the purchase of energy from Costa Rica through the interconnected power grid.

The Momotombo Uno geothermal plant generates 25 percent of the energy demand, equivalent to a saving of something like 400,000 barrels of hydrocarbons at a price of \$11.2 million.

The purchase of energy from Costa Rica through the interconnected power grid involves a figure of 27.5 million kwh at a cost of \$11 million (each kwh costs 40 cents). A net saving of \$15 million was achieved between July 1982 and August 1984. The investment in the interconnected power grid required \$7 million.

Although it has been possible considerably to reduce the generation of thermal energy, which is based on burning hydrocarbons, the government of Nicaragua continues to develop projects designed to reduce to a minimum the petroleum consumption of thermal power plants. This consumption figure comes to 560,000 barrels, representing \$15.63 million.

Nicaragua's oil bill comes to 4,854,500 barrels per year, worth \$135,926,000, or 40 percent of the country's total exports.

The energy savings drive has resulted in a 10-percent reduction in the use of petroleum for energy generation and, as regards fuel, the saving comes to 5,769 barrels, equivalent to \$161,532. This gives us a total of \$22,561,532.

Biogas Energy

But the government is pushing a series of agricultural and industrial projects which would signify an increase in energy requirements.

For this purpose, plans call for the increased production of unconventional energy.

To meet requirements in the rural areas, biogas energy plans are being drawn up, using livestock production units and some coffee plantations.

The livestock production units are using energy generated by the wind to drive mills, in addition to biomass energy which is used in the lumber production units in the center and in the Pacific basin.

Eucalyptus

It is however through large-scale projects that the country will manage to end its dependence on petroleum. We are finishing the construction of the biggest sugar mill in Central America. It is equipped with a press and vast eucalyptus plantation areas, for the combustion plant. The entire project will generate more energy than Momotombo Uno which is 36 million kw. The energy will be supplied to the national electric power grid during times between harvests.

The "Asturias" project--which is financed partly by the BID /Inter-American Development Bank/--is intended to increase the electric power output of the Carlos Fonseca and Centroamerica hydroelectric power plants. The energy currently produced here comes to 334 million kwh. After the completion of the Asturias project, the output will be 427 million.

The net energy increase in both plants will be 84 million kwh, equivalent to a saving of \$5.6 million at current prices.

5058

CSO: 3248/61

NUNEZ TELLEZ REVIEWS ACCOMPLISHMENTS, TASKS OF AMNLAE

Managua BARRICADA in Spanish, 26, 27, 28 Sep 84

[26 Sep 84 p 3]

[Text] To evaluate the work of the women's organization in Nicaragua for 7 years in a few lines is certainly an unattainable goal. The intensity of the political activity against the dictatorship carried out by AMPRONAC [National Association of Women Concerned With the Nation's Problems], a first synthesis of the political rights and historic aspirations of Nicaraguan women, and its subsequent transformation into AMNLAE [Luisa Amanda Espinoza Association of Nicaraguan Women], a continuation of women's participation in the construction of the new society in the revolutionary period, cannot be summarized in a few pages. That would mean negating the validity and justice of the struggle waged by the heroic women of Nicaragua.

No one has as much historic merit as the Sandinist Front for bringing about fundamental forces to defeat Somoziism and among them, of course were women, considered as an integral part of a very important social sector of the population. No political force, no group or no party penetrated so deeply among Nicaraguan women as did the Sandinist Front.

From its first years of combat, FSLN had incorporated into the Sandino Program Legacy and as part of its own struggle, the restoration of women's rights, snatched away brutally by Somoziism. And in the revolutionary practice among the Sandinist militants, in the examples, combats, torture and persecution, and in the morale and inspiration, the Sandinist Front showed, in its ironclad will, the presence of men and women transformed into combatants and incorporated into the vanguard detachment. Of course, at that time there was no women's organization representing the social sector; but to begin a task means to march, step by step, and on that heroic path filled with hope, one finds the first origin of the future mass organization of Nicaraguan women.

The Origins

AMPRONAC came into existence in 1977, as a correct response to the political situation. Of all the popular, social and labor organizations of that time, AMPRONAC was virtually the only mass organization of a genuinely democratic

nature, owing to the program, the demands and the massive quality and, in particular, because it achieved the ability to include among its members the most varied political movements and activists coming from the different social classes. The wisdom lay in the capacity for agglutinating this entire social sector, not for progressing toward socialism, communism, social Christianity, social democracy or liberalism; no. The course was clear: to organize the Nicaraguan women, channeling their inclination toward the struggle to help overthrow the Somoza dictatorship, making use of all forms of struggle and considering this phase the first decisive step toward starting to crystallize their national aspirations, which were those of all the people, and their own, interpreted as a social sector with specific demands. But the first condition for this was: ridding ourselves of the yoke of Somozism.

This clear political view among Nicaraguan women is a significant feature which, from the beginning, distinguished them from the traditional motivations which have typified the women's liberation movements in the United States and Europe; and if we must speak of contributions to the struggle of women in the world, we would have to say that AMPRONAC managed to establish this difference, because it came into existence in combat and inurement to gunfire; and every woman had the opportunity to turn toward any option, provided it was part of the entire political movement for overthrowing Somozism.

When an organization is created with a clearcut horizon, it can no longer become lost in political errors; and if, in addition, it has the leadership of a vanguard which it recognizes and respects, such as the Sandinist Front during that period and now, then the entire combative potential is directed, is united to the whole politico-military movement, and those forces, converted into just one, are capable of extirpating the regime which has become an enemy of the people. The principal contribution from the Nicaraguan women's organization, both before and after the victory, to the worldwide women's movement is that of having been a direct protagonist in the revolutionary birth, wielding as a cause, primarily, the aspirations of its people and, at the same time, defending its own forcefully.

AMPRONAC was just that: the first organized expression of a massive nature, of Nicaraguan women; it was the continuity of the first efforts of FSLN to develop the women's organization; and just as today, I daresay, AMPRONAC, integrated into the Civil Defense Committees in all the departments involved in insurrection, gave an impetus in many districts to the organization of the population in civil defense tasks to protect against the bombings, mortars and tanks, or else to improvise people's hospitals and to take care of the wounded combatants and the civilian population itself, victimized by the Somozist cruelty.

After 7 years, a great deal of water has gone under the bridge, and AMPRONAC of yesterday is AMNLAE of today. The cause, the struggle, the aspirations and the conquests are the same, in a new political context. But in evaluating the tasks performed by AMNLAE, we cannot fail to point out the same thing that has been stated to other mass organizations: It is essential to turn our eyes toward the history of the struggle to organize the theoretical and scientific

rudiments that will turn the women's experience into the politico-ideological ferment that would serve to guide and train the thousands of women organized in the Luisa Amanda Espinoza Association of Nicaraguan Women (AMNLAE).

We cannot allow the organizations so representative of the heroic struggle of the Nicaraguan people to be consumed in futile, unreal practice. Without revolutionary practice there can be no revolutionary theory; but also, under the present conditions, without revolutionary theory it is impossible to explain the political commitment assumed by tens of thousands of women who, while struggling to eliminate the vestiges of the former regime, are seeking how to achieve a leading position in society, to which they are entitled by their own merits. For this purpose it is important to master in advance the background of the struggle which gave rise to their inclusion in the process of struggle to achieve a more worthy society representing their historic interests. This is an unfinished task and, at the same time, an indispensable one for the development and political training of the AMNLAE membership.

[27 Sep 84 p 3]

[Text] AMNLAE has appeared in the history of the revolutionary era as a viable alternative for representing the interests of Nicaraguan women. Throughout 5 years of struggle (because the struggle is still continuing), they have become incorporated into the many political, social, economic and military tasks demanded by the Sandinist Popular Revolution. AMNLAE has appeared on the horizon of the process of Sandinist Nicaragua as the most important stronghold of another struggle: the emancipation of women. Their integration into the tasks of the overall defense of the fatherland's sovereignty has not eliminated their effort, which is often not understood nor backed, to achieve equal opportunities and conditions for attaining from the new society acknowledgment of their belligerent role as an organization and, in particular, their contribution to the elimination of the alienation to which women have been subjected for decades; replacing this situation with another new and very different one, which will gradually transform their political conduct until it is depicted as an active factor in the revolutionary changes, similar to that of other social sectors.

The right to join in the fundamental productive tasks; to recognition of their capacity as social beings based on their ability and intelligence; to enjoy the freedom for becoming fully involved in the defense tasks without blocks or obstacles stemming from prejudice inherited from the previous society; to the opportunity of enhancing their political and cultural level, breaking off from backwardness, underestimation and disdain; to the materialization of the laws issued by the revolutionary government and the Council of State for the benefit of women; and to the discussion of problems involving inequality among couples and the implementation of the pertinent measures, among other matters, are only the initial steps which AMNLAE has an obligation to intensify, so as to convert into a reality the legitimate right which the revolution has established when the people under arms have seized power, thereby ensuring the most important advance: the real possibility of putting into operation the

historic claim of women, in other words, their emancipation, in accordance with their program.

During these past 5 years of AMNLAE's existence, it would be a mistake to think that all the goals have been attained. Unlike other social sectors, as has been mentioned often, women have suffered a twofold exploitation, but regarding both, the most important action, which cannot be deferred, is the elimination of the state of social inequality which has reduced women to the unfortunate role of being considered a passive object, lacking in belligerence, and hence undeserving of anyone's attention; or, worse still, when they bring up just proposals, everyone looks over their shoulder, accompanying this attitude with a mocking smile attempting to negate the validity of their positions.

So much so that the women's organization representing the interests of women is faced with a challenge, that is, to convince both sides that, after 5 years of the revolution, the struggle to constantly crystallize the emancipation of women is a reality that cannot be evaded; that, on this path they will encounter adverse movements, lack of understanding and rejection but, rather than being discouraged, they have a fundamental obligation, based on this premise, to realize that they have managed to reach the starting point and, for that very reason, the difficult, arduous task of being involved in the process of political, economic and social changes is not dissociated from the task of seeking the ideological advance that will achieve women's assimilation of their own reality. This entails work, altruism, sacrifice, patience and revolutionary integrity, to make the society acknowledge women's problems as a reality, directly linked with the development of the revolutionary process.

The Legacy of the Past

When faced with this situation, the easiest position is to be inclined toward the view that claims: "The struggle has been of no use; we are as we were before"; "in addition to being fully integrated into the revolution, we have imposed on us the task of continuing to struggle to eradicate social inequality"; "why not demand of men the same thing that is demanded of women?" And many examples could be given, in the same direction. But...is the problem solved by this? Obviously not. We are a result of a political system which did not distinguish the methods of oppressing men and women; its major concern was to guarantee the hegemony of the ruling minority, regardless of who was being beaten. The only goal was to make use of the work force, and to establish a division in the production relations, taming the social sectors until they were convinced that a minority had access to the benefits of power, and a majority in chains had to legitimize it by its work, despite its sufferings.

The poverty, unemployment, hunger, weakness and death were the price that had to be paid in exchange for the existence of a system detrimental to the people's interests but one which, in the minds of the exploiters, seemed like a natural phenomenon. It was the price for surviving in the society dominated by the large economic groups which, through their financial power and their adherence to the instrument of domination, the Somoza dictatorship, imposed the ground-rules without concerning themselves over the fact that they were thereby

dooming to extermination thousands of men and women who were merely demanding more just and more decent treatment, and an opportunity to enjoy better living conditions.

Dependent capitalism in Nicaragua had no compassion for anyone. The condition of men or women did not matter to it; it only sought a work force to expand its domination, and used the state's coercive power for its own benefit. So, it would be a mistake to ignore this tragic reality, wherein both men and women, or rather all social sectors, suffered the greed of an unjust system, which abolished all their rights and caused the right of force to prevail, in order to subject all Nicaraguans to the most brutal exploitation, without any distinction or consideration. So that, although the revolution has triumphed, the changes in the politico-ideological realm are slower than the changes in the economic and social realm.

Hence, the women's organization in Nicaragua must resort to the sources of teaching that gave rise to its creation, so as to learn lessons that will enable it to implement a consistent line, taking account of the reality that has been described, without any defensive attitude. On the contrary, it should assimilate these lessons so as to properly direct its tasks, to determine the legitimacy of its demands, making the entire Nicaraguan people participants in them. Accepting different interpretations is mere literature, ignoring the reality, and believing that one is marching forward whereas, actually, every step taken is a step backwards.

[28 Sep 84 p 3]

[Text] A summarized evaluation of the 7 years of existence of the Nicaraguan women's organization cannot be an occasion for merely expecting flattery and praise. We should certainly say that women's integration into the tasks of the economy, into political and social and military tasks, is an unquestionable reality in the revolutionary process. Furthermore, there are experiences that have not yet been grasped, such as the heroically repeated instances of women on the war fronts defending the production of their goods, their crops and their families; wherein the prevailing aggressive situation prompted them to fight, ultimately, for their own survival and that of their children. There is, in the self-defense system, the unyielding spirit of Nicaraguan women who, alongside their most beloved ones, faced the enemy backed by imperialism to defend their lives, their present and their future. This is the purest example of patriotism and loyalty to the revolution.

Such experiences, in summary, contain the existence of AMNLAE, and reaffirm the undeferable obligation to continue ahead with the daily struggle to conquer a secure future for its aspirations. The Sandinist revolution is a single whole and, as it develops, it is ensuring the rights and demands pertaining to every social sector, and it desires the complete liberation of women. And this will be possible if AMNLAE, in its political line, progressively shapes itself as the loftiest interpreter of their demands.

For this purpose, there must be more steadfastness, more clear understanding and more integrity, so as to make the society understand the propriety of

putting into practice the irrevocable right claimed by Nicaraguan women, namely, to emancipation. To this extent, we shall be able to continue ahead, certain that the revolution is progressing in all areas and, among them, making a reality of the historic demands of women will become an integral part of the responsibilities of the Nicaraguan revolutionary process, assumed by everyone, by both men and women; with the understanding that each individual is adopting the principles of the revolutionary cause, aimed at establishing a more just and more worthy society, more in keeping with the interests reserved for these people who, imitating the example of Sandino, peace to Nicaragua, with the same fervor, and with the same inspiration and combative morale that made his struggle and his victory over the intervening ones who dared to stain the fatherland's soil, possible.

After 7 years of the existence of their organization, Nicaraguan women, alongside their people, are struggling against the same enemy. Blessed be the womb of the mother who gave birth to a Sandinist child!

2909

CSO: 3248/63

NICARAGUA

TERRITORIAL INSTITUTE UPDATES PERSONNEL, EQUIPMENT

Managua EL NUEVO DIARIO in Spanish 6 Oct 64 p 5

/Text/ Personnel training and the procurement of new equipment will enable the INETER (Nicaraguan Institute of Territorial Studies) to raise the technical level for the study of the national territory, Alejandro Rodriguez, the agency's director, announced yesterday.

Rodriguez explained that the INETER is conducting studies in the atmosphere, the continental shelf, the soil, the surface and underground waters, earthquake activities, etc.

He indicated that the Institute has trained some 200 technicians in meteorology and geology, both on the national and international level.

He pointed out that a course for 57 technicians was completed several days ago in the 4th meteorology class. "The World Meteorological Organization and the World Program of the United Nations for Development cooperated in administering this course."

He added that a course for 3rd-class technicians is being prepared for the beginning of next year.

The INETER director said that the meteorology courses are given by professors from the Institute of Meteorology of the Academy of Sciences of Cuba.

On the topic of earthquakes, he reported that the 16 seismological stations operating along the Pacific and the country's north-central part are working 90 percent.

"To improve the processing of data supplied by the stations, we acquired a computer through an agreement between the IBI (International Information Office), the government of Spain and Nicaragua," he noted.

The Institute also acquired equipment for geological prospecting which will make it possible to obtain knowledge on the types of rocks forming the national territory as well as the existing underground waters.

He indicated that work is being done in geodesy and mapping to place reference markers for future work to be done in the soil of Nicaragua.

The Institute, he reported, is working on nautical charts which will reveal the depth of the nation's maritime waters and to spot places where dredging can be done.

Geological Map

The INETER director said that a geological map is now in the works which will make it possible to determine the quantity of rocks and faults existing in the nation's soil.

He indicated that the Physical Planning Directorate is working on the identification of investment areas which will make it possible to discover where dams, industrial plants, etc., can be built.

In coordination with the IICA (Inter-American Agricultural Cooperation Institute), work was done to identify areas suitable for planting certain crops.

The main limitations encountered by the Institute, according to him, consist of the lack of qualified resources, the shortage of vehicles, limitations in the physical plant, and the availability of obsolete equipment.

He pointed out that the Institute is under the MIPLAN (Ministry of Planning) and said that it has 950 workers (670 in Managua), including higher-level and middle-level technicians and professional personnel.

PHOTO CAPTION

In order to improve its probes of national territory and its determination of the country's phenomena and resources, the INETER has acquired new equipment, such as this aerotriangulator which is operated by Nicaraguan technicians.

5058

CSO: 3248/61

NICARAGUA

BRIEFS

CUBAN TRAINED TECHNICIANS RETURN--The Government of National Reconstruction and the National Directorate of the FSLN /Sandinist National Liberation Front/ on Tuesday night welcomed the third group of 386 Nicaraguan technicians who graduated in the sister republic of Cuba and who returned to serve the people and the development of the fatherland. The ceremony was very moving and full of revolutionary pledges from the new graduates who, for the most part, are members of the 19 July Sandinist Youth. The recent graduates however experienced a kind of culture shock as they saw our way of life after 5 years in a socialist society such as Cuba; but they were told that it is a privilege to live in Nicaragua and to work for it by building the future of the new generations. /Excerpts/ /Managua EL NUEVO DIARIO in Spanish 28 Sep 84 p 5/ 5058

CSO: 3248/61

CANADA TO CONTINUE FINANCIAL AID TO FORESTRY SECTOR

Bridgetown SUNDAY ADVOCATE in English 14 Oct 84 p 3

[Text] CASTRIES, St. Lucia, Saturday, (CANA)--The Canadian Government has pledged to continue its support of a forestry management plan for St. Lucia, by contributing EC\$12 million towards its implementation.

The promise was given by Mr. Guy Selasse, First Secretary responsible for development at the Canadian High Commission in Barbados, as he presented copies of the plan to Agriculture Minister Ira d'Auvergne.

The plan, prepared at a cost of \$2 million was undertaken by the Canadian International Development Agency (CIDA). It was first conceived by the Forestry Department of St. Lucia's Minister of Agriculture as far back as 1975 and approved by CIDA six years later.

It covers three specific areas: a forest enumeration survey to determine the quantities of timber islandwide, a forestry boundary survey to demarcate the extent of St. Lucia's forest reserve to assist in its protection and patrolling, and a programme to guide the activities of the Forestry Division over the next 10 years.

Under the latter area, the island's forests will be divided into management units.

The plan also recommends policies and emphasises the need for both protection and the establishment of plantations for timber, charcoal and fuelwood.

Mr. d'Auvergne said that the plan would play a vital role in developing land-use policies for the island.

CSO: 3298/114

BANANA GROWERS' EARNINGS FOR 1983 SHOW INCREASE

Bridgetown SUNDAY ADVOCATE in English 14 Oct 84 p 3

[Text] CASTRIES, St. Lucia, Saturday, (CANA)--St. Lucia's banana growers received pay outs totalling EC\$26.6 million for fruit which they produced last year, according to Mr. Edward Rock, the outgoing chairman of the island's Banana Growers' Association.

Mr. Rock said that the figure compared with \$19.7 million which the growers received in the previous year. In 1983, banana exports totalled 54,314 tonnes as against 41,237 tonnes in 1982. Total earnings to the industry from exports was \$55 million in 1983 compared with \$39.5 million in 1982.

The Association provides growers with a variety of services which are paid from their earnings on exported fruit.

According to Mr. Rock by the end of last August, St. Lucia's production was well on the way to surpassing the 1983 figure, with exports standing at 45,076 tonnes for the eighth-month period.

He reported that despite increasing expenditure as a result of the high tonnage exported last year, the association was able to transform an operating deficit of \$1.1 million in 1982 into a surplus of \$2.2 million last year.

But Mr. Rock said that the falling value of the pound sterling, in which banana exports are paid, continued to play havoc with the industry. Up to the end of August, he said, 1984 losses to the industry as a result of the decline in value of sterling were in the region of \$3.4 million.

He cautioned growers about the importance of producing only high quality fruit for export, following recent reports of a rapid deterioration in the quality of bananas coming from St. Lucia for the British market.

Said Mr. Rock: "Only the highest quality can assure us of the maximum returns from the market, for it is quality which sells our bananas. It is necessary to warn growers who think that they can put anything in a box and get away with it that this is just not so."

He warned too that the assurance by the British Government of continued protection for Windward Islands bananas on the market depended to a large extent on the industry maintaining sustained quality standards.

DAC NAMES TOBAGO CANDIDATES; ROBINSON REVIEWS GAINS

New Faces in Slate of 12

Port-of-Spain TRINIDAD GUARDIAN in English 22 Oct 84 p 1

[Text] SIX new faces are on the Democratic Action Congress (DAC) slate of 12 contesting next month's elections to the Tobago House of Assembly (THA).

The names of the 12 to carry the DAC colours were announced at a special rally at Shaw Park yesterday afternoon. DAC controls the THA, having won the first election four years ago.

Mr. A.N.R. Robinson, Chairman of the THA, is again at the helm and he will be contesting for the second consecutive term the Roxborough-Delaforde seat.

The other DAC candidates are:

DR. JEFF DAVIDSON (Belle Garden/Goodwood).

MRS. MIRIAM MOORE (Bethel-Paitence Hill).

MR. HOCHOY CHARLES (Garden Lane/Les Coteaux).

MR. EDWIN CAESAR (Mt. St. George/Bagatelle).

MR. CLARENCE WARNER (Mason Hall/ Providence).

MR. STANLEY BEARD (Scarborough/Signal Hill).

MR. GERALD MC FARLANE (Plymouth/Black Rock).

MR. GEORGE ARCHER (Canaan-Bon Accord).

MR. CLIFFORD BAYNES (Lambeau/Buccoo).

MR. KENNETH MURRAY (Speyside/L'Anse Fourmi).

MRS. BERNADETTE DES VIGNES, Moriah/Parlatuvier.

The new comers are:

Mrs. Moore, a 38-year-old mother of four who holds the B.Sc. in Nursing, majoring in mental health, public health, nutrition, research maternal and child care.

Mr. Baynes, 38 years old next month, proprietor of the K.B. Supermarket and active in the social and sporting sphere.

Mr Beard, 32 who has a BA in Applied Geography/Latin American Studies and served at the Tobago section of the Port Authority. He is an old boy of the Mason Hall Government School and the Scarborough Government Secondary School.

Mr. McFarlane, 28, youngest on the DAC slate. An old boy of the Plymouth Anglican and Roxborough Secondary and Harmon High Schools, he is employed at the engineering division of the Ministry of Health.

Mr. Warner, 59 next December who has had a career as a public servant [words illegible] Ministry of Tobago Affairs. He served as clerk of the THA, head of the Income Tax Department and Revenue Officer IV (Tobago) and Justice of the Peace and Mr Murray.

DAC stated yesterday: "The new candidates are all well-known Tobagonians and are all people of stature. The incumbents have already proved their worth under difficult circumstances and we defy any other party to produce a quality team to face ours.

Report on Robinson Address

Port-of-Spain TRINIDAD GUARDIAN in English 22 Oct 84 p 1

[Text] WHEN the Prime Minister of Trinidad and Tobago talks about "friendship" with the Tobago House of Assembly (THA) as a condition of the performance of his duties, he is not only violating his own oath of office, but is seeking to induce members of the Assembly to violate theirs as well.

Mr. A.N.R. Robinson, Chairman of the THA, make this point at yesterday's special congress of the DAC during which he outlined the achievements of the DAC-controlled THA over the last four years.

Mr. Robinson, who ended his long speech questioning the Prime Minister's extension of his hands in friendship with Tobago (the THA chief said some described it as a "finny hand"), contended that the situation in Grenada today dramatised with every passing day, failure of the ruling People's National Movement (PNM) Government on the Caribbean scene to render any form of human assistance to Caribbean brothers and sisters in acute distress.

Yesterday's congress was in effect DAC's opening salvo in its fight to retain control of the THA which the PNM is trying to snatch away.

Mr. Robinson, who is one of the DAC's 12 candidates facing the electorate next month, noted that while the rest of the world recognised the intellectual challenge posed by the need to hold together disparate communities in one polity, we in this country have been unable to evoke any intelligent response on the issue from Prime Minister George Chambers.

Meaningless

He said: "All we have had so far is meaningless chatter about the 'hand of friendship' which some have thought fit to describe as a 'finny hand' and others as the 'hand of hypocrisy'.

"We have for example, asked the Prime Minister and Minister of Finance on what basis are development funds allocated to Tobago. On what basis did Tobago in the past receive only two per cent of the funds allocated for capital investment, while private investment was virtually nil?

"The answer cannot be on the basis of the hand of friendship.

"On what basis was ISCOTT built and managed? Or the notorious racing complex conceived? Or the equally notorious MV Tobago bought? Was it the 'hand of friendship?'"

Mr. Robinson, a former Minister of Finance in the Government of Trinidad and Tobago, said DAC observed over the years, Tobago's vicious cycle of under-development reinforced by a disproportionately low level of public investment and the almost complete absence of private investment and gross inadequacy of the infra-structure.

"We have sought to place the relationship between Trinidad and Tobago and the development of the nation as a whole with the framework of planned development. I have myself when required to do so, made my services available to the much-heralded and now defunct National Economic Planning Commission.

"What has all this got to do with friendship?

"Some supervisors in the Government DEWD programmes believe that the right of the young woman to work is only the carollary of the supervisors' right to friendship. The Prime Minister sets the worst possible example.

"Public office constitutes a solemn trust which must be discharged without regard to purely personal and subjective considerations. Our nation cannot be built on personal pique or by the undermining of the democratic process or by the subversion of our democratic institution."

Tobago, he argued, epitomised the failure of the PNM Government on the domestic scene; its worship of power--"I will show Tobago who is Prime Minister"--its complete abandonment of the politics of transformation.

Attack on TTT's Inniss

Port-of-Spain TRINIDAD GUARDIAN in English 22 Oct 84 p 1

[Article by Kit Roxburgh]

[Text] SCARBOROUGH--THE POLITICAL activities of Board Chairman Nick Inniss of Trinidad and Tobago Television came in for a hammering yesterday. As the Democratic Action Congress (DAC) and its allies braved heavy showers to meet a Bishop's High School, praises were rained upon Tobagonians by National Alliance for Reconstruction (NAR) leaders.

And condemnation fell upon the People's National Movement (PNM). All the speakers described in terms ranging from evil practices to improper use of State-owned services the role of Mr Inniss in the PNM's campaign for the Tobago House of Assembly elections.

Dr Beau Tewarie, Tapia House Chairman, said that when Dr. Eric Williams was alive, he observed formal procedures to the letter, but not with regard to the spirit of true democracy.

Now, the PNM does have that formal decency," he added.

He said that one must look at the situation where the TTT Chairman was publicly known to be actively engaged in campaigning for the PNM.

Rep. Pamela Nicholson, (Tobago East), said she was non-plussed over the recent appointment of Mr. Inniss to a PNM public relations group.

She said there were many unethical practices by the Government. The Telephone Company staff in Tobago consisted of PNM supporters and telephones were now given to those party members at the expense of other Tobagonians.

Miss Nicholson was supporting a motion from the floor in which the issue of Mr. Inniss's political activities was raised. The resolution was passed.

Mr. Karl Hudson-Phillips, Organisation for National Reconstruction (ONR) chairman said that all the resources of the National Alliance for Reconstruction and its strength--physical, moral and spiritual--were behind the people of Tobago in their struggle for justice and honesty.

He added: "What Tobagonians do in the next few weeks will set the pace for Trinidad."

Mr. Basdeo Panday, head of the United Labour Front (ULF), told the hundreds of delegates that he was always happy to land in Tobago. "To land in Tobago is to feel that you are setting foot on an island that is free"...(applause).

The twelve DAC candidates were presented to cheering and banner waving D.A.C. supporters who later went to a rally at the Scarborough car park.

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TRINIDAD AND TOBAGO

BRIEFS

PAPAL VISIT--POPE JOHN PAUL II is coming to Trinidad and Tobago after all. His Holiness--spiritual head of the world's 700 million-plus Roman Catholics--will visit this country late January 1985, during a trip he will be undertaking to Latin America. An elated Roman Catholic Archbishop of Port of Spain, The Most Rev. Anthony Pantin, said yesterday: "Words cannot express the tremendous joy and excitement that this visit is generating...it's truly a wonderful occasion." Positive news of the Pope's visit was contained in a letter received October 3, 1984, by Archbishop Pantin from the Vatican. [Excerpt]. [Port-of-Spain TRINIDAD GUARDIAN in English 19 Oct 84 p 1]

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